Fresh fears over airport

security, Page 2

No. 29,895

Friday April 4 1986

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War of words in TWA bombing

World news

Italy and Egypt yesterday accused each other for the failure in security measures which led to the explosion in a TWA airliner over Greece and the death of four of its

assengers.
Mr Oscar Scalfaro, the Italian Interior Minister, said a known ter-rorist suspect boarded the aircraft Athens on the first leg of the airliner's journey. The man occupied exactly the place where the explosion occurred on the return leg from Rome to Cairo.

The Italian allegations were hotly denied by an Egyptian security official in Cairo who said yesterday that aircraft left here completely

Koivisto moves

A strike by more than 15,000 employees, including his own service staff, forced Finnish President Mauno Koivisto to move from his Helsinki palace to a state guest house in the suburbs.

Sabah poll

New elections will be held in Malay-sia's politically troubled Sabah state on May 5 and 6. Page 5

Moscow says no

The Soviet Union will not accept the invitation to observe US nuclear weapon tests in Nevada, a Moscow atomic energy offical said in Gen-

Chile protest

Riot police and troops in combat uniform sealed off the copper town of Chuquicamata as 1,500 miners staged a protest march against Chile's military Government.

IMF ordered out

Peru has ordered the Internation Monetary Fund to close its mission in Lima because the Government did not "accept financial commissars of any kind."

Aquino paid

President Corazon Aquino has received her first pay cheque of 8,804.70 pesos (\$440) for her first 34 days as Philippine head of state.

Beirut ciashes

Sporadic fighting between Shia Moslems and Palestinians broke out in Beirut, threatening to reignite clashes in Palestinian camps, residents said.

Observers quit

French ceasefire observers in Lebanon left for home, ending a twoyear mission monitoring clashes among rival militias in Beirut.

Taxed forms out.

The Portuguese Parliament voted to abolish the taxed paper forms on which applications to official bodies must be made in an attempt to smooth bureaucratic procedures.

Sentence extended

Sergei Khodorovich, administrator of a fund founded by exiled Soviet writer Alexander Solzhenitsyn to aid families of Soviet political prisoners, has been sentenced to a second consecutive term in a labour

Trade talks continue West German Economics Minister Martin Bangemann said trade talks with Soviet officials were not affect ed by Bonn's Star Wars research

pact with the US signed only a week ago. Singer dies

Tenor Sir Peter Pears, one of Britain's best known singers and lifelong friend of late composer Benjamin Britten, died aged 75.

Genstar accepts

Business summary

Imasco bid GENSTAR, Canadian financial services and property group, accepted an increased C\$58 (US\$41.7) a share offer from Imasco, the food, tobacco and retailing group. Page 21

WALL STREET: By 2pm the Dow

sweetened

Jones industrial overage was up 0.84 at 1,796.10. Page 44 TOKYO: Wary investors sent the market plunging downwards but a late rally recouped some of these earlier losses. The Nikkei average registered its fourth steepest fall ever of 283.27 to 15,272.24. Page 44

LONDON: Stores led the charge upwards on takeover attempts in the sector. The FT Ordinary index closed 6.5 higher at 1,425.9 and the FT-SE 100 added 14.7 to 1,717.8.

DOLLAR finished higher in London closing at DM 2.386 (DM 2.375), SFr 1.996 (SFr 1.9825), FFr 7.395 (FFr 7.295) and Y179.85 (Y179.5). On Bank of England figures, the dol-lar's exchange rate index rose to 120.8 from 119.9. Page 37 STERLING was weaker against the

dollar in London, closing at \$1.458 (\$1.4715). It also fell to DM 3.4775 (DM 3.495), SFr 2.91 (SFr 2.9175) and Y262.0 (Y264.25) but was higher at FFr 10.7825 (FFr 10.735). The pound's exchange rate index was unchanged at 76.5. Page 37 GOLD fell \$2.25 an ounce on the

London bullion market to \$333.25 and was \$1.30 lower in Zurich, at \$335.25. In New York the Comex june settlement was \$338.2. Page 36 CONSOB, Italian Stock Exchange

regulatory authority, has tightened its rules on options trading, making it compulsory for dealers to prove they hold options before they sell them. Page 21 WESTLE INTERNATIONAL Lux-

emboiligi subsidiery of West-dentsche Landesbank, West Germany's biggest publicly owned bank, increased its operating prof-

CREDIT LYONNAIS, second large set nationalised French bank, said a more favourable text position and said tion. "I don't think there will be an ambitious plan for building nuclear apower stations," the vice premier said. savings on non-recurring items beloed lift its net profit by 19.8 per cent to FFr 442m (\$61.8m) Page 21

US BANKRUPTCY court approved a settlement plan for ESM Government Securities under which creditors will receive \$35m of the \$320m they are owed. Page 21

SEVEN leading Canadian securities. dealers have set up the first jointly owned mutual fund management company in North America. Page 21

CONSORTIUM headed by Justus Dornier, West German industrialist, has dropped its bid for Canadair, Canadian Government-owned aerospace group. The five remaining potential buyers are all Canadian. Page 21

COMPANIES

HOOGOVENS, Dutch steel maker is, stepping up its dividend and plans a rights issue after a 35 per cent increase in net profit to F1 278.8m (\$106m) for 1985. Page 21

PHILLIPS PETROLEUM, US integrated oil company, plans to reduce its workforce by between 2,000 and 2,500 in response to the changing economic climate in the oil industry. Page 22 .

GPA, UK-based aviation leasing company which claims to be the world's largest, is about to complete a \$125m private share placement in Japan, the US and Britain. Page 21

HONG KONG holding company Cheung Kong more than doubled profits in 1985 to HK\$551.7m (US\$70.6m). Page 23

ITT, US-based telecommunications conglomerate, said Harold Miller, who presided over the failure of attempts to adapt its System 12 tele-"special assignment." Page 21

Natal moderates seek multiracial provincial assembly

MODERATE political and community leaders of all races yesterday began a controversial attempt to re-place the present racially divided provincial government of South Africa's Natal province with a single multiracial legislative assembly which could set n precedent for a future non-racial, federal structure for the country, writes Anthony Robinson in Durban. The so-called Kwazuh-Natal "In-daba," the Zulu word for a meeting

of chiefs, opened in the Durban City Hall with more than 30 delegates representing the province's main political and economic forces but was boycotted by radical political groups from both left and right. The aim of the "Indaha," which is expected to last for at least three months, is to replace the province's

assembly for the entire province. The National Party Government in Pretoria, which originally reject-

the idea. But it agreed to send ob- the time for dialogue, reconciliation

part in the proceedings. Chief Gatsha Buthelezi, Chief Minister of Kwazulu and one of the

istration and the black homeland of participating could expect strong in- he said in his opening remarks. Kwazulu with a unified legislative timidation from what he termed "sahoteurs."

Describing the indaba as a "potential turning point in the history of South Africa, Chief Buthelezi ed the proposal when first advocated South Africa. Chief Buthelezi ed by the Buthelezi Commission in warned: There is a strong lobby 1961, remains noncommittal about which operates on the basis that servers to the Indaba in the form of and negotiation is past. They beadding local party politicians.

Nine black radical and white conmain, burn and kill each other in servative gorups - ranging from the order to bring about change. We say banned African National Congress such a moment bas not come as

(ANC) and United Democratic yet. Front (UDF) to the right-wing white
Conservative and Herstigte Nasionale Party (HNP) refused to take
part in the proceedings.

He strongly criticised those who
refused to take part in the indaba.

Any force which is opposing apartheid and which is not democrate. enough to permit people at a local level to talk about local affairs tokey movers in the indaba idea - gether or permit people at the re-which has been fiercely attacked by gional level to do the same, has no radical blacks - warned that those democratic right to be in politics,"

The indaba takes place against the background of increasingly violent rivalry between the lnkatha

movement, with more than 1m members led by Chief Buthelezi, and the ANC-inspired UDF. This rivalry is particularly intense in the Kwazulu shanty towns around Durhan where both organisations are fighting for support. Last weekend violence erupted again at the black educational conerence - which had decided to end

the boycott of black township schools - and led to be death of two Inkatha supporters who were accused by the conference organisers of deliberately seeking to intimi-date the meeting.

Ten days ngo, the Natal University offices of Professor Lawrence Schlemmer, one of South Africa's

BY PATRICK COCKBURN IN MOSCOW

THE Soviet Union will reduce its

foreign imports by between a quar-

ter and a third this year, Mr Boris

Aristov, the Soviet Foreign Trade Minister, bas told Western

The cut in Soviet imports from

Western industrialised countries.

which totalled \$26bn last year, is

the result of the fall in the price of

oil, which makes up 60 per cent of

Soviet officials have made clear to Western diplomats that Moscow

is not prepared to finance its pres-

ent level of imports through bor-rowing. The likely casualties are

blg projects and consumer goods,

while imports of equipment for the oil and energy industries, agricul-ture and the refurbishment of exist-

ing plant are likely to receive

The Soviet Union is the world's

some 12m barrels a day (b/d),

largest oil producer with an output-

consuming some 8.8m b/d itself in 1984 and exporting the remainder to East and Western Europe.

The Soviet Union traditionally

ket in the first quarter of the year,

when its internal demand is at a

peak. It is now negotiating with its

contract customers in an attempt to

return to the market, by offering

netback deals which guarantee ref-

But a trader said yesterday: "The Soviets are flooding the market with proposals, not oil. Their best

offer to date still works out at about

\$13 a barrel, which is not attrac-

Meanwhile, Mr Vasili Dinkov, the and France

priority.

iners a profit.

Soviet bard currency exports.

leading social scientists who has provided much of the research work and intellectual input behind the "Kwanatal" coocept, was also

tion" point to several unique factors which make Natal the logical start-

Sanctions call welcomed, Page 5; Editorial comment, Page 18

Soviet Oil Minister, has said that

Soviet oil enterprises have kept

bigh production rates this year, not-

ably in the crucial oil province of Tyumen in west Siberia. Last year,

Soviet oil output was down to 595m

Mr Dinkov singled out inade-

quate repair services as a major

reason for the Soviet oil industry failing to meet its targets. Accord-

ing to the Daily Trud, the number

of wells not producing in west Siberia has grown from 4,280 to 4,883.

The seriousness of the general

energy situation facing the Soviet

Union is unclear because it is large

ly dependent on the success of plans to substitute gas for oil in

tin Bangemann, is baving talks it

Moscow. West Germany may be

particularly vulnerable, in trade

balance terms, to Soviet cuts in im-

ports because it is less able than

France and Italy to reduce Soviet

gas imports. Both France and Italy

have pressed the Soviet Union bard

to take more of their exports to red-

The easiest way for the Soviet

Union to do this is to take more of

its agricultural imports from Italy

ress an adverse trade balance.

power stations.

tonnes compared with 613m tonnes

Cheaper oil forces

Moscow to cut

Western imports

rejects destroyed in an arson attack. £1¾bn Supporters of the 'Kwanatal op-

ing point to break down artificial apartheid barriers. The province has a bigb proportion of English rather than Afrikaans speaking whites as well as 90 per cent of the country's 900,000 Indians. Furthermore, the Zulus, who number more than 5m, are led by one of the few black leaders who is willing to negotiate for something less than one man, one vote and is prepared to of-fer to negotiate safeguards for

By Charles Batchelor in London DIXONS, a fast-growing British

takeover

Britain's

Woolworth

electrical retailer, yesterday launched a C1%bn (about \$2.50bn) takeover bid for Woolworth Holdings, the UK stores group. Woolworth rejected the Dixons bid as "unrealistic and unacceptable."

A successful bid would create

Britain's sixth biggest retail group The Dixons bid follows a series of

takeovers and mergers which bave altered the shape of British retail-ing. Habitat-Mothercare and Brit-ish Home Stores arranged an ami-cable merger, and Burton acquired Debenhams after a tough battle. Woolworth Holdings bas no con-

nection with Woolworth of the US, which sold its 52.6 per cent controlling interest in 1982.
Woolworth has been the subject

of intense stock market speculation in recent weeks with Dixons only one of a number of retailers suggested as potential bidders.

The bid comes only 15 months af-

ter Dixons acquired Currys, its main electrical retailing rival, in a bitter £248m campaign. It is also only 3½ years since a new manage-ment team beaded by Mr John Beckett, former chief executive of British Sugar Corporation, and backed by a group of UK financial institutions took control at Woolworth in an attempt to improve its

"sleeping giant" image.

Mr Stanley Kalms, Dixons chairman, said: "Woolworth derived quick benefits from the sale of property and better housekeeping but it's now left wandering in the High Street searching for a credible

retailing strategy.
"There's no design in the Woolworth's shops to make them attractive. People go in for their 'pick and mix sweets, spend a quid and theo they're off."

The fall in Soviet oil revenues is bound to affect Moscow's trading Dixons plans to achieve an immepartners, particularly in Western Europe, in 1984, out of total Soviet hard currency exports of \$31bn some \$22bn went to Western diate improvement by repositioning the various departments in Woolworth's stores to give greater prom-inence to more expensive - and more profitable - items.

Moscow's biggest trading partner Within the space of three to four in the West is West Germany, years it plans to convert them into more attractively designed stores wbose economics Minister, Mr Marconceotrating on the areas of bome, entertainment and leisure. In practice this means a greater

emphasis on do-it-yourself items. gardening, personal care products, kitchen appliances, cookware records and tapes. The combined group woud have a

total of 1,725 stores - 675 from Woolworth - with a total sales area of Continued on Page 20

Lex, Page 20; Background, Page 26

present division between a white-dominated Natal provincial admin-China slashes N-power plans changing, and role of foreign groups

BY ROBERT THOMSON IN PEKING

CHINA yesterday announced a significant slowing down of its miclear power programme. One im-portant project has been postponed indefinitely, and all future plants will be built for the most part with

Chinese equipment.
Li Peng, a Chinese Vice Premier. said yesterday that a 2,000 MW plant planned for Sunan, near Shanghai, for which West Germany's Kraftwerk Union and Framatome of France had been bidding

likely to go ahead. Chira had planned to build 18 mr-clear power stations by the end of the century Li sald yesterday, howbank, increased its operating prof-its by 23 per cent to a record be only a "supplement" to hydro-DM 150m (\$63.5m). Page 21 tion. "I don't think there will be an

The Chinese decision, largely based on the cost of technology from the West, will drastically reduce the scope of a market previously estimated by foreign companies to be worth up to \$20bn over the next decade.

Li also said that China would send a study group to examine nu-clear power techniques in the So-viet Union in a visit which could lead to a nuclear co-operation agreement between the two coun-

Agreement was reached on the visit during the first meeting in operation.

erly awaited a Sino-US nuclear co-operation agreement, formally com-positive approach to the scheme.

China is to scrap the dual currency system that was intended to counter illegal currency dealings but, in practice, has encouraged the black market. Foreign exchange certificates (FECs) will be abolished and the country will use only Renminhi, the non-convertible Chinese currency. Page 5

oleted late last December, enabling US companies to sell equipment in

China will no longer import com-plete plants, as it has for the \$4.1bn project at Daya Bay in Southern China; the only facility for which foreign participation has been fina-lised after almost a decade of discussion. The companies with agreements are Framatome, Electricité de France, and Britain's GEC. He said that 'in the future we

mainly rely on our own efforts for building power stations" and will "change the practice of importing nuclear power stations from abroad. Only one plant using Chinese-made equipment is under way. That facility at Qinshan, near Shanghai, has apparently been un-der construction since 1972. Li also announced that a commit-

tee had been set up to examine the feasibility of the proposal to build the massive Three Gorges dam on the Yangtze River in south-west

The project, which has been discussed for over three decades, could Peking last month of a Sino-Soviet cost between \$10bn and \$20bn and commission on economic, trade, involve the resettlement of thouscientific and technological co- sands of people. The dam would bring "very important results" in The change in Chinese policy is a power generation, navigation and blow to US companies who had eagirrigation, Li said, but the Govern-

US view on prices says Opec

By Dominic Lawson in London OPEC's president claimed yesterday that the US had changed its stance on world oil prices.

Dr Arturo Hernandez Grisanti, who is also the Venezuelan Oil Minister, seized on remarks made by Mr George Bush, the US Vice President, that he would be telling Saudi Arabia in a forthcoming visit that oil prices should be stabilised.

Until now, Dr Grisanti said, the US had said that prices should be left to the market. The Opec president urged Mr Bush to "talk to the British about cutting production."

Sandi Arabia is likely to give

Mr. Bush a similar message, but the UK Government is adamant that it should be left to the operating companies to decide on any cuts in North Sea produc-Onec ministers confirmed ves terday that they are to meet in extraordinary session in Geneva on April 15, quashing market

speculation that the meeting had Brent oil prices were slightly weaker yesterday with an April cargo sold at \$19.87 a barrel compared with Wednesday's trading range around \$11.15. The \$10 barrier was broken for the first time since early this week when a cargo of Brent for delivery in

July was sold at \$9.90 a barrel. Prices on the New York Mercantile Exchange were little changed on the day, with May contracts of West Texas crude quoted at \$11.50 a barrel.

Mr Peter Beutel, oil analyst at Rudolf Wolff in New York, said: "The market is confused by recent petro-politics on the part of Opec and the US."

Amoco UK plan blocked, Page 8; Phillips Petroleum job cuts,

EEC plans import restrictions in retaliation for US quotas

BY PAUL CHEESERIGHT IN BRUSSELS

phone switching system to the US in US-EEC commercial relations. Because temporary import conmarket, had been moved to a unless a high level meeting planned trols have been placed on Portuon the side of the ministerial con- guese imports of soyabeans, the US

EUROPEAN Community countries ference of the Organisation for Eco-and officials from the Commission nomic Co-operation and Develop-in Brussels have started to draw up ment checks the process. will from May 1 place an unspeci-fied quota on high quality white wine from the EEC. This trade was

The current dispute springs from the measures being taken to fit

and Portuguese entry to the Com- Spain and Portugal into the EEC's Common Agricultural Policy and

Management: Chinese fam- US: foreign policy takes an

and mineral waters.

Pinance ministers meet, Page 6; Feature, Page 18.

transatlantic tit-for-tat squabble over the trade effects of Spanish

munity. They signal a fresh deterioration common customs tariff.

in Brussels have started to draw up a list of US products on which import restrictions could be placed next month.

Restrictions would be retaliation for a series of quotas the US decided late on Wednesday to place on cided late on Wednesday to place on Community products.

On April 17–18 in Paris, Mr Richard Lyng, the US Agriculture Secretary, and Mr Clayton Yeutter, the US trade Representative, will meet US trade Representative, will meet US trade Representative, will meet US decided late on Wednesday to place on Commissioners for external affairs for the EEC decision to reserve 15 per cent of the Portuguese grain

market to Community suppliers. From July 1, the US plans to raise tariffs by an undisclosed amount on EEC sausages, cheese, vegetables, coffee extract, gin, whisky, brandy

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Guinea: bold move to reform EEC budget: crisis that never

-ily business in Indonesia . 10 aggressive turn 19

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Brussels: wrangle over Lombard: regulating the mixed credits 6 direct approach 19

Follow The Leader BELLS ARTHUR BELL & SONS plc., ESTABLISHED 1825

arrested a wine maker in the Emilia-Romagna region of north-east Italy on charges of being involved in the production and sale of adulterated wine.

The arrest appears to confirm

The arrested man, Mr Angelo Baroncini, runs a winery at Solarolo near Ravenna which is helieved to have produced wine with an illegally high content

The Ciravegna family is be-

in Apulia, in the south-eastern heel of Italy. Yesterday Mr Fusco, who was already under investigation for causing death and injury by breaking the wine regulations, was arrested.

Police yesterday also arrested fears that the origins of the poisonous wine, which has atready killed 15 people, are more widespread than was first thought.

Folice yesterday also arrested five men on cobarges of trading tillicity in methanol. Though trade in methanol is not convidespread than was first thought. five men on charges of trading illicitly in methanol. Though trolled, the men—who came from Mantua in the region of Lombardy and from Reggio Emilia and Ravenna in the region of Emilla-Romegna—were said to bave sold the chemical to businesses which were either non-existent or bad

The wine bas heen sold to distributors in the regions of the Veneto. Alto Adige, Piedmont and Tuscany.

Previous arrests had heen in Piedmont, where the winery helonging to the Ciravegna family at Narzole is believed to be the source of large quantities of adulterated wine sold in Piedmont, Lomhardy and Liguria, and elsewhere.

The Ciravegna family is be
were either non-existent or bad gone bankrupt.

Although all the casualties from drinking the lethal wine one in north Italy, a stock of adulterated wine was seized yesterday a few miles from Rome. It had apparently originated in Piedmont. Wine found to contein excess methanol has also been found in Tuscany, having heen supplied from Emilia-Romagna.

As the scare over the poison-

The Ciravegna family is be-lieved to have obtained wine in ous wine mounted, there has bulk from an operation run by been a drastic drop in sales of Mr Antonio Fusco in Manduria low and medium quality wines

Rome holds back from agreement on Star Wars

BY OUR ROME CORRESPONDENT

THE ITALIAN Government is pointed out that an internot yet prepared to make an governmental agreement would egreement with the US Adminis- make Itelian participetion in ment which would allow Itelian SDI easler. Both Britain and companies to hid for contracts West Germany have signed under the Strategic Defence such agreements, the latter Initiative (SDI) programme. only last week.

This was made clear to MPs This was made clear to MPs The question of Italien in Rome yesterday during a participation in SDI is controlong - awaited parliamentary versial in Italian political debate on Italian participation circles. Within the Government

in SDI, commonly known as Star Wars.

Mr Giovenni Spedolini, the Minister of Defence, told MPs that Italian companies could not perficipate in SDI in the absence star Wars programme The large Star Wars programme The large Star Wars programme The large perticipate in SDI in the absence giving political support to the of an inter-governmental agreement between Italy and the US. opposition Communist Party is when such an agreement might

Project finance plan unveiled by Delors

SENIOR EUROPEAN indus trialists and the European Commission bave joined together to offer new schemes for the financing of major infrastructure projects.

They are proposing the Identification and execution of projects of European interest and the use of new financial instruments, attracting conces-sional tax treetment, to promote the integration of the European market and stimulate growth. Such projects would include Scan-Link, the FFrs 21bn (£297m) plan to improve road and rail connections between Scandinevia and continental Europe, and the so far uncosted proposals for bigh speed reil links betwen France, Belgium, West Germany and the Nether-lands, linked to the Channel

Tunnel project. The proposals were presented The proposals were presented yesterday by Mr Jacques Delors, president of the European Commission, and Mr Pehr Gyllenhammar, cheirman of Volvo and chairman of the Roundtable, a group of 23 top executives from the main Europeen industrial companies.

These companies include

These companies include Fiat and Olivetti of Italy, Renault and Matra of France, Plessey and Pilkington of the UK, Philips of the Netherlands.

and Siemens and Thyssen of West Germany. The Roundtable end the Commission had talks in Brussels and adopted a consultent's report on promoting and finan-cing large scale infrastructure projects in Europe. The report was prepered by Telesis.

Mr Gyllenhammar noted thet major projects tended to lack promoters. Governments, often in deficit, were no longer keen to provide funds.

But the problem, according to the Telesis report, is that the capital markets in Europe, apart fro mbelng fragmented nationally because of exchange controls and different tax systems, are underdeveloped when It comes to risk investments in new projects. In an attempt to come to terms with this, the Roundtable

that where projects offer an in-ternal rate of return above the Industry, on the other hend, he reached.

Although Mr Spadolini did contracts and fears that it should he mixed with equity not say so, it is known that could miss out if a decision is the US Government has elways delayed any further.

Cost capital, project finance cost capital, project finance and is should he mixed with equity and a new tax treatment on dividends from the investment.

US focuses attention on improving security

Yesterday, in response to the bombing, President Ronald Reagan ordered Federat Bureau of Investigations (FBI) and Federal Aviation Authority (FAA) investigators to Rome to find out what went wrong with the screening of passengers, their luggage and others with access to flight 840.

Weanwhile the National Pilots Meanwhile the National Pilots Union, which staged a successful protest against terrorism in 1977, seid that it was consider-

ing organising e worldwide boy-cott against governments found responsible for terrorist acts. "We must isolate offending nations from goods or services."
sald Captain Thomas Asbwood.

vice president of the union. "I know of no other approach." The pilots' protest was ecboed

THE LATEST TWA airliner by the TWA flight attendants' perts and the US Government, union whose 6,000 members are attention of both the US Government and the airline industry on the daunting task of Improving security on the international routes served by US airlines.

Yesterday, in response to airport massacres.

TWA flight attendants' perts and the US Government, union whose 6,000 members are on strike. The union charged that the FAA had permitted determined terrorist attacks.

Mr John Mazor, a spokesman for the Air Line Pilot's Association said: "You can never make an airport 100 per cent secure against terrorists." But, he tion said: "You can never make an airport 100 per cent secure against terrorists." But, he added, "you can make it 99.99 per cent secure by turning it into an armed camp." airport massacres. In particular the flight atten-dants claimed that the FAA bad

waived newly-imposed special The national pilots' union is considering

security training for aircraft
crews at TWA, which has been ing mandated by the FAA—
biring non-union cabin staff. As which mainly consists of schoola result, the union claimed, only ing airline employees in alertone of the four flight attendants on the stricken aircraft was exness—the US airlines and regu-latory authorities have imposed perienced. "We are a high-risk a number of other measures in airline and using inexperienced the wake of the previous crew members increases that terrorist attacks.
risk," said a union representative.
That cabin staff industry exhibited for international flights

organising a worldwide boycott against govern-

ments found responsible for terrorist attacks.

and both airports and the airlines have been required to of passengers.
more closely screen the backgrounds of new staff
The US airlines have longer than elsewhere

toughened up their ground and inflight security procedures since the latest attacks. Pan Am said yesterday that its measures were "constantly reaching new plateaus." But like other carriers both Pan Am and TWA are reluctant to discuss specific details.

In spite of this stepped up vigilance there are other key areas that security experts and the airline unions think should

In particular TWA flight attendants argle that all haur luggage should b channed from aircraft et least visually inspected instead of relying upon the traditional airport

X-ray machines.

Security experts say that they face two main problems in two British teachers, Mr Leigh improving the safety of air travel—the difficulty of detecting non-metallic weapons and Beirut since last Friday.

At Tel Aviv for example, Checkens routinely take much longer than elsewhere and have seriously disrupted airline schedules.

Nora Boustany writes from Beirut: A Palestinian group apparently linked to the complex and obscure guerrilla figures of Abu Nidhal has claimed responsibility for the bomb planted abourd the TWA

An anonymous caller with a Palestinian accent telephoned ratesuman accent telephoned Beirut newspapers and foreign news agencies to amounce that the "Arab Resolutionary Cells" had placed the bomb. The action was in retaliation against "American aggression against Libva."

Krakow steelworks shuns plan

POLAND'S largest steel producer, the Lenin Works in Krakow, has refused to join an officially sponsored organisation aimed at integrating the industry effectively into one

production unit. The development occurs after the Steel Ministry's integration proposals have come under fire both inside and outside the Government as running counter to Poland's decentralising economic reform.

There has also been consistent opposition by several democratically elected workers self-management councils in the industry.

mills and other companies in the in- form." dustry agreed to join an organisation co-ordinating production whose which are in dire need of invest original statute, limiting company independence, has been watered down as a concession to reforming plan but now say it is against their

The Steel Ministry has approved the new grouping now dominated by the large Katowice steel mill, built in the 1970s, which stands to gain considerable investment funds from the move. This has been de- four other mills including the War-

Finally, last month, more than 30 with the letter and spirit of the re-Managers at the Krakow works ment funds, were originally very much in favour of the integration

> This apparently reflects the fact that the Katowice works have won the edge over Krakow in the race for funds.

Meanwhile, workers councils at fended by Mr Jerzy Urban, the gov-ernment spokesman, as "in line to join the new grouping.

Portuguese vote forces ban on stamped paper

BY PETER WISE IN LISBON

THE PORTUGUESE Parliament has voted to abolish the use of offifacets of the country's slow-moving bureaucracy - in a move that exposed the vulnerability of the mi-nority Social Democrat Government to a united opposition.

Opposition parties on the left and right united behind the proposal which calls for the abolition of fiscal paper, known as "papel selado," be-fore the end of 1986. The Govern-

because it wanted use of the paper cial stamped paper - one of the to be phased out as part of a most pervasive and least popular general fiscal reform.

The measure will spare busi-nesses and ordinary citizens some of the frustration and exper volved in coming to grips with Pirtuguese red tape. Foreign investors, for example, have had to present lengthy volumes of proposals on the official paper which costs Es 60 (40 US cents) a sheet.

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Sale

France cancels TV satellite concessions

BY PAUL BETTS IN PARIS

THE NEW French right-wing government has decided to can-cel the concessions granted by the previous Socialist administration to operate channels on France's TDF-1 direct broad set up a national broadcasting casting television satellite as commission to replace the less France's TDF-1 direct broedpart of its broadcasting reform powerful High Authority. This and deregulation programme.

Three days before last month's legislative elections the Socialist Government gave the touch with the Luxembourg go-shead for two channels on go-ahead for two channels on authorities to improve relations the new satellite to a European between the two countries on consortium luciuding Mr hroadcasting issues. Luxem-

Robert Maxwell, Mr Jerome Seydoux, Mr Silvio Berlusconi and the West German Kirsch film production group.

The Government intends to will tender out again the satel-lite channels to bidders.

bourg was angered by The government appears in-the previous administration's tent to cancel Mr Seydoux's undisguised efforts to under- and Mr Berluscon's concession

mine the ambitions of the but is awaiting the outcome of Compagnie Luxembourgeoise de the imminent ruling on this Telediffusion (CLT) to extend issue from the Conseil d'État, its penetration of French one of the country's major judi-

CLT has been keen to gain. The other priority of the a channel on the TDF-1 satellite right's broadcasting programme Channel, private nationwide its communications and culture which the Socialist granted in minister, is the privational control of the privation of the private of th television network concession minister, is the privatisation of which the Socialist granted to one of two of the country's Mr Jerome Seydoux and Mr three national state television

changes An PRODUCTRI, TIMES, 14 East 60th Street, New York, N.Y.

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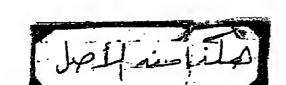
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EUROPEAN NEWS

Irish budget likely to increase business incentives

BY HUGH CARNEGY IN DUBLIN

TUMBLING oil prices have had a speedy impact on Ireland's energy-importing and debtheavy economy, putting a loog-absent spring in the Govern-ment's step as Mr John Bruton, the Finance Minister, naveils

the Finance Minister, novels his Finance Bill today.

The effect is not wholly beneficial, but the outlook facing Mr Bruton is considerably brighter than it was when the budget he is now to give legislative effect to was announced in late January by Mr Alan Dukes. Mr Bruton took over from Mr Dukes in a cahinet reshuffle in February.

He is not about to change the main thrust of the budget. Which maintained the Fine Gael-Labour coalition's tough fiscal regime but shifted some of tha heavy Pay As You Earn (PAYE) tax hurden nuto indirect taxes and extra taxes on the financial sector.

However, he is likely to average about twice the inflation rate or more, the scene is set for a rise in consumers about 2 per cent this year.

The Government, doubtless eyeing the opinion polis, has warned producers to pass on the financial sector.

However, he is likely to announce additional incentives

for industry and take some of the sting out of a new 35 per cent Deposit Interest Retention Tax (known scornfully by its acronym Dirt) by exempting

old people and charities. For a Government used to almost unmitigated economic gloom since it took power in late 1982, and which plunged to record lows in the opinion polls around budget time, the ment sudden upturn is welcome rising.

Inflation, wrestled down to five per cent last year, is now set to average 3 per cent this price of \$17 a barrel, and one minister predicted zero inflation

on the financial sector.

However, he is likely to announce additional incentives and cautioned building societies not to raise mortgage rates to compensate for Dirt. An inculing the raise of drink — Irish compensate for Dirt. An inquiry into the price of drink — Irish whiskey costs about 1£12 a bottle — has already been

> Big problems persist, never-theless. Latest Exchequer returns show that the current budget deficit this year is unlikely to better the hudget target of III.25hn, more than 7 per cent of GNP. Unemployment of 1.8 per cent is still

Turkey moves to boost banking

THE Turkish central bank has bank lending, the lack of which has been regarded as one of the main shortcomings of the Turkish banking sys-

Under the scheme which began operating on Wednesday the central bank will handle requests from the commercial hanks to lend or borrow funds. Each bank has been given a limit for such transaction and will be required to put up enunterpart funds, including Treaspry bonds, equal to 130 per-cent of its allo-cated limit.

Borrowing will initially be fur periods of between one and two weeks but the central bank hopes to introduce bor-rowing for periods of between ne night and 91 days even-

The main advantage of the new system is that, as bar-rowers and lenders will be unaware of each other's iden-tity, inter-bank rivalries which have prevented the growth of a lending market should be eliminated.

The central bank is plan-ning to launch a similar scheme for foreign enrrency

Moscow rejects Reagan's N-test invitation

Ronald Reagan's invitation to nuclear testing. send scientists to observe The Soviet Union wanted to nuclear weapon tests at the US stop nuclear tests, not monitor testing ground in Nevada, Mr how they were being carried

President Reagan had por- head the Soviet team to the hitrayed his invitation as an lateral negotiations on halting attempt to create a basis for nuclear test that Moscow bad

Alexander Petrosyants, chair-man of the Soviet state commit-tee for atomic energy, said here can militarists." Mr Petrosyants, who would mutual trust between the two proposed to Washington, dis-super powers. Its real purpose, missed President Reagan's sug-Mr Petrosyams told the UN gestion that in Nevadad that

THE SOVIET UNION has no Soviet observers to show Mos- method for measuring and intention of accepting President cow's approval of continued monitoring nuclear explosions.

The Corrtex method to which nothing new. Soviet scientists knew it as thet MIS - method of impulse sensing — and had sometimes used it themselves,

paganda exchanges over nuclear disarmament that have de-Mr Petrosyams told the UN gestion that in Nevadad that conference on disarmament, US would demonstrate to Soviet was to use the presence of scientists a new technical veloped after the Reagan-Gorbachev summit here last

of impulse sensing — and had sometimes used it themselves, Mr Petrosyants said.

His statement to the disarmament conference is the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet readiness to Soviet Union had extended its most of the latest testing with Soviet union of the latest testing was a solitive capability.

negotiate a nuclear arms reduc-tion deal and has claimed that the last deadline of March 21

Since Mr Gorbachev's pro-posal on January 15 for the nuclear arms technology. Three-stage elimination of Mr Petrosyants claimed yes-

three-stage elimination of Mr Petrosyants claimed ves-nuclear weapons by the end of lerday that the last reservation the ccotury Soviet rhetoric has gave the real motive for the concentrated on two themes: the continuation of US tests: the US removal of US and Soviet wanted to retain its first-strike

verification problems remain but, if the US did not act like-nunsolved. US officials have also maintained that further testing is needed to enable the US to

Ex-soldiers defend Waldheim

May 4 with support from the portation of Jews."

the charges against Dr Wald-conservative Austrian Peoples During the testimonials a heim would be revealed as mis-party (OVP) has denied accu-group of protestors silently ununderstandings,

NINE PEOPLE who knew Austrian presidential candidate Nazi astrocities in the Balkans. A former ordnance officer, 1945 spoke in his defence yes. Mr Helmut Poliza said: "There as a defence witness" and "memory gap for presidential candidate Nazi astrocities in the Balkans. A former ordnance officer, Hiller as a defence witness" and "memory gap for presidential candidate Nazi astrocities in the Balkans.

1945 spoke in his defence yes terday saying they could not recall the former United National general secretary having any Nazi-links.

Speaking at a press conference in Vienna, fellow officers and soldiers who served with Dr Waldheim in Greece said they knew nothing of the persecution of Greek Jews.

Dr Waldheim who is standing as an independent candidate in the presidential elections on May 4 with support from the

and "memory gap for presi-

nored by the speakers, remained for about an hour, One of them, film maker Ruth Beckermann, of Jews in Salonika."

Said later they were an indemark for the news service of the army about the suppression of the group in which Dr Waldheim truth about Austria's past.

Dr Kurt Steyrer, the Socialist in Salzburg, said he was sure

Norwegian oil workers threaten to strike

weekend if last-minute arbitration today is unsuccessful.

Because of the low oil price,
the Government may allow a
toppings to rule for some size. stoppage to run for some time.

A COMBINATION of strikes and lock-outs could stop alt pelroleum exploration and production off Norway from the weekend if last-minute arhitration today is unsuccessful.

Norway's oil output is run-ning at about 900,000 harrels a In the past, it has usually interveced quickly to order compulsory settlement of off-shore disputes, because of the industry's importance as a foreign exchange earner and a union, CAF.

Norway's oil output is run-ing at about 900,000 harrels a day.

The first strike call—affecting producing fields—came from the 600-strong catering workers' to compare a stay of tax any of tax any order.

source of tax reveoue.

This time, a temporary break in Norwegian production might

The employers retorted by ordering a lock-out of all other workers on these fields, effective

Chirac expected to meet Kohl within fortnight

MR JACQUES CHIRAC, the French Prime Minister, is expected in Bonn for talks with Chancellor Helmot Kohl interfere with the close policy co-ordination between them. This emerged after an exploratory 90 minute meeting

BY RUPERT CORNWELL IN BONN

here yesterday between Mr Hans-Dietrich Genscher, the West German Foreign Minister, with his new French opposite number. Mr Jean Bernard Raimond, in the latter's first trip abroad since his appoint-

trip abroad since his appoint ment a fortugent agn.

The discussions apparently certain division of foreign did-not extend mach beyond an policy-making in Paris, between exchange of views on current a Gaullist prime minister and issues, ranging from East-West relations to the EEC and the The Chancellor never tires of forthcoming seven nation referring to the excellent terms western summit in Tokyo: on which he is with Mr Mitter-Afterwards senior German rand, while he should have few officials spoke of a "far ideological differences with the reaching continuity" in Francoreaching continuity" in Franco-German affairs.

the ouestion of whether Mr Genscher will establish as close a rapport with the career diplo-mat Mr Raimond as he did with his predece vor, Mr Roland Dumas, a fluent German speaker and a particularly trusted advisor of President François

expected in Bonn for talks with Chancellor Helmnt Kohl within the next formight—a move intended to underline the determination of both countries that the recent change of government in Paris should not interfere with the close policy co-ordination between them. workforce against 10.4 per cent in February. Seasonally adjusted unemployment in March was 2.29m, unchanged from a month earlier. In March 1985 the unadjusted jobless total stood at 2.47m, representing 10 per cent of the workforce.

conservative Mr Chirac

reaching continuity "in FrancoGerman affairs.

At least as important, however, as the warm words is defender of French farm
the ouestion of whether Mr interests as the new Agriculture
Genscher will establish as close
a rapport with the career diploa defender of FrancoGenscher will establish as close
a rapport with the career diplo-German common front to pro-tect farm incomes in the two countries, in defiance of the wishes of the Commission in Brussels.

Mitterrand.

Mr Kohl is said to have no worries about his ability to further relations with France—a goal hy which he sets so much public store—in spite of the haffilement privately

The gathering row over this year's EEC farm price round is likely to be a key theme during Mr. Chirac's visit here, which will take place before Agriculture Ministers of the 12 resume negotiations on April 21. The gathering row over this year's EEC farm price round is

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Sales of diesel cars in W. Europe rise by 21%BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

Automotive Industry Data.

There are clear signs that growth in diesel car sales will continue, the Liehfield, Stafford-shire-based organisation sug-Last year's record was set in

spite of shortages of the fuel injection equipment used in diesel engines. Records were set in the vast majority of European markets, only Spain, Belgium, Sweden and Norway hucking the trend.

So far in a decade of almost uninterrupted growth in diesel car sales, the major inroads have been made in the executive car sector—in some countries half the executive cars are delivered with diesel engines-but there is big potential for the oil-burning engines at the other end of the market, in small cars.

DIESEL car sales in Western
Europe last year rose by 21 per
cent from the 1984 total to a
record 1.67m and their share
of the market jumped from 13.7
per cent to 15.19 per cent,
according to an analysis by
Automotive Industry Data.
There are clear signs that
growth in diesel car sales will

Among other small cars, competitive diesel models for the Ford Fiesta, R5 and Fiat Uno are available already and soon to come are diesel versions of the General Motors-Opel Corsa and Volkswagen Polo,

Citroen is expected to have a diesel version of the AX, the a diesel version to the A., the small car due to be launched in the autumn, while Flat will launch the Panda diesel this month — a model which AID suggests is capable of generat-ing 40,000 European sales a

Last year's diesel car record follows exceptional sales in West Germany, created by the confusion over anti-pollution

PASSENGER CAR DIESEL SALES ((000's)				
	Year 84	Year \$5	% chan	
Country	321,8	530.8	- 64.9	
West Germany	425.3	438.6	3.1	
italy	240.4	264.8	T0.1	
France	126.7	124.9	-1.4	
Spain	96.9	95.0	- 1.9	
Belgium		71.3	17.0	
Netherlands	61.0	66.2	46.8	
United Kingdom	45.1	32.8	130.9	
Austria	14.2	14.7	4.0	
Finland	14.1	10.4	6.2	
Denmark	10.3	9.4	31.7	
Switzerland	7.1	8.4	41.7	
Eire	6.0	. 5,7	-40.3	
Sweden	9.5	1.7	-37.3	
Norway	2.7			
	1,381.1	1,674.6	. 21.3	
Total diesels Total industry volume	10,098.7	10,524.2	4.2	
10031 Independ Apprising	127	15.9		

research paper, computer departments markets. using Burroughs' equipment were far more productive at providing business solutions than their colleagues using other equipment.

4 times as many management staff than remarkable system is called LINC. was required on Burroughs' computers. (Thus freeing the others to write new

applications or upgrade existing ones.) After all, the faster DP staff can create or change programs, the more business information you can extract from your computer. And the better to a real time database system in the

According to a recent independent ness in tough, competitive and changing

NEW APPLICATIONS IN ONE TENTH OF THE TIME.

Using a system developed by In fact, the research went on to show Burroughs, hundreds of businessmen that it took nearly 3 times as many pro- are finding their computers are giving gramming and systems staff and over them a genuine, competitive edge. This

Quite simply, LINC allows Burroughs' users to develop new solutions in up to one tenth of the time it normally takes.

FACT: One of our clients, Leamington Spa Building Society, wanted to convert your computer can serve your busi- shortest possible time. As Bob Neill of

HOW TO CHANGE SYSTEMS IN ONE TWENTIETH OF THE TIME.

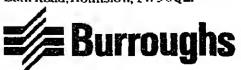
At the same time LINC allows Burroughs' users to modify, extend and maintain existing solutions in up to one- money well saved.

twentieth of the time. So if markets change or your example, you can change your system in months, or even weeks, rather than years. Or if foreign competitors start nibbling at your margins, you can act before any real damage is done.

the Society says: "We thought a time FACT: Eric Holloway, of British Alcan scale of three years would be needed. Altuminium, said recently: "We had esti-With LINC we were ready in four mated a conventional system would take six man years to develop and implement, with LINC we were up and running with a working system in four

> When you think how competitive business is these days, that's time and

For more information, call Brian Reynolds on 01-750 1420. Or write to company expands or even merges, for him at Burroughs. Heathrow House, Bath Road, Hounslow, TW5 9QL.



Were behind them al

Hanson Trust makes £1.9bn takeover bid for Imperial Group

HANNON TRUST, the fast-growing industrial holding company headed by Land Hanson, fast night Euroched a 11.9bn takeover bid her Imperial Group, the brewing,

imperial's agreed LL22bn bid for United Biscuits coincided on Monday with a hostile LL26bn bid from Argell Group for Distillers GEC, the electronic

Coats opts for £690m Vantona counter-offer VANTONA VIYELLA yesterday launched a £689.5m agreed director of Vantons

Monopolies inquiry could scupper £1.3 billion c

Imperial and United

GEC ready to move on Plessey

BY IAN RODGER

THE GENERAL Electric Company could launch, its £1.16bn beover bid for Plessey as early

lems currently confronting no only telecommunications be indeed the entire electronic industry in the United Kingdom, he said,

We believe your view of the prospects of achieving significan profitable growth in the ve ahead, as expressed in public

agree to merge

By Andrew Cornelius. Imperial Group and United Biscuits yesterday announced: details of an agreed merger. The deal; which was signalled by the companies last weeks will

(GLARDIAN)

(FEXANCIAL TIMES)

(FINANCIAL TIMES)

Guinness plans agreed merger with Distillers

BY DAVID GOODHART AND MARK MEREDITH

A RECORD British takeover bid the Guinness-De was unveiled yesterday when had Guinness ended several days of ment beautiful announced a of (FINANCIAL TIMES)

Argyll extends offer By Charles Batchelor

ANTENIOR DE LA LINE DE LA COMPANIONE DE

Argyli Group, the super-market concern which is bidding L! She for Distillers, the Scotch whisky troup, yesterday extended is offer for a further

hs pension fund, took his holding in Distillers in 14,45m shares, or 3.98 per cent of the equity.

in part to its complete in

(FENANCIAL TIMES)

 $\langle a \rangle$

bid ;

Burton claims victory in battle for Debenhams

BURTON GROUP, the climbing retailer, but night claimed victory

(FINANCIAL TIMES)

Now Rank goes for Granada ASTITUTION MOVE P

by David Ireland

BACK in the City's good ratching analysts

(LONDON STANDARD)

When the dust finally settles on the corporate battlefield, there's at least one detail of their business lives that all these companies have in common.

They all use Lotus software.

So do most of the people who work with them, from their consultants, commercial bankers, merchant bankers and auditors, to their stockbrokers, solicitors and advertising agencies.

A major company considering a £2 billion

investment needs the most reliable information technology it can get to support the decision-making process.

Such companies are naturally drawn to the PC software with the most impressive track record. Lotus was launched in April 1982.

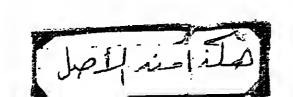
Today we have offices throughout the world, programs available in 8 languages and an annual turnover of \$225,000,000.

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And every product we develop enjoys the pedigree of the package that made our name and set the standard for the industry: 1-2-3.

So if you're considering Lotus and you want to find out as much as you can, as quickly as possible, look at our

bottom line. It's under the logo.



BY JIM JONES IN JOHANNESBURG

BISHOP Desmond Tutu'a call for international economic sanctions against Sonth Africs bas been widely criticised by white husinessmen and politicians inside the country, but applauded by the black community.

The different reactions underline the country's racial polari.

Federal Party parliamentarian, declared her opposition to sanctions because of the damage they could do to black employment, but she added that if sanctions were imposed the hlame should not be placed on Bishop Tutu but on the Government of President P. W. Botha.

In contrast to white opposition to sanctions because of the damage they could do to black employment.

In contrast to white opposition to the sanctions are one of the few remaining weapons for peaceful change.

However, some white people expressed sympathetic understanding. Mr John Wilson president of the Federated Chamber of Industries (FCI), was clear that Bishop Tutin "has undountedly expressed of the last options open to the frustrations of many blacks."

ment of President P. W. Botha. In contrast to white opposition to the sanctions call, black organisations welcomed it as of bringing about non-violent change in South Africa. Mr Murphy-Morobe, a spokesman for the from the first to the sanctions call, black organisations welcomed it as of bringing about non-violent change in South Africa. Mr Murphy-Morobe, a spokesman for the from the first to the sanctions and organisations welcomed it as organisations.

of the few remaining weapons for peaceful change.

However, some white people expressed sympathetic understanding. Mr John Wilson president of the Federated Chamber of Industries (FCI), was clear that Bishop Tutu "has undouhtedly expressed the frustrations of many blacks in calling for punitive international sanctions." But be added that the FCI could not support "a unilateral telescoping of the timetable for change asked for by the Bishop and to which be himself is committed." people committed to peaceful change. "We hope that Bisbop Tutu's call and that of the national education crisis conference in Durban will be seen by the International community as a desperate call from the oppressed section of the South African society to exert more

Mr Wilson's views were echoed by Mr Raymond Parsons, head of the Association of Chambers of Commerce, who restated his organisation's echoed by Mr Raymond Parsons, head of the Association of Chambers of Commerce, who restated his organisation's view that sanctions would damage the economic growth which, he said, "remains an essential condition for evolutionary reform."

African society to exert more decisive pressure on this racist government."

Britain yesterday rejected the Bishop bad advanced "no the Bishop bad advanced "no evidence to show that international, financial and trade boycotts would help to promote

essential condition for evolutionary reform."

Strongest criticism came from the country's white rightwing polltical parties. Mr Jaap Marsis, the leader of the Herstigte Nasionale Party, called for government action against the Bishop, whom be accused of "declaring war in the name of God."

mational, financial and trade boycotts would help to promote boycotts would help to promote boycotts would help to promote boycotts would nell to believe that with boycotts would only make matters worse. The important thing is to make every effort to called for government action get hoth sides in South Africa into dialogue as soon as possible into dialogue as soon as possible into dialogue as foon as possible into dialogue a

the name of God."

To the left. Mrs Helen
Suzman, the Progressive Editorial comment, Page 18

end special currency

CHINA plans ta abolish its special currency for foreigners and make the domestic remainful the sole currency in circulation, vice premier Yao Yilin announced yesterday, AP reports from

Peking.
The foreign exchange certificate was introduced in 1930 with the intention of curbing the black market in internationally convertible currencies. The certificates are used by tourist, resident foreigners and aversess investors and issued by denominations equivalent to the domestic remniable (people's money).

money).

The certificates will bring 1.20 ta 1.70 renuinbi in the black market. Chinese citizeus also try to obtain them in order to buy imported goods normally mavailable to domestic shoppers.

Under the new system, all foreign currencies will have to be changed into renuinbi, which has been devained from 2.00 to 3.20 against the US dollar in the past two money).

US dollar in the past two

years.
"Foreign exchange certifi-cates will be abolished" and other foreign currencies banned from normal circulation, Yao said at a news conference. He added: "But it takes a lot of preparation work" end said the date for the change had not been decided.

Peter Blackburn reports on a sense of optimism in Conakry after decades of decline Guinea bites the bullet of economic reform

animation amid signs of re- overvalued local currency.

covery after a quarter of a Col Lansana Conte, Guinea's covery after a quarter of a Col Lansana Conte, Guinea's century of political repression new leader, moved quickly to and economic ruin.

early death of President Sekou Toure, there are hopes that a

regarded as the jewel in the crown of French West Africa. But, after independence in the past few months, the 1958. President Sekou Toure spurned continued close ties with France saying "we prefer freedom in poverty to slavery size and scope of the public scope of spurned continued close ties with France saying "we prefer freedom in poverty to slavery in riches."

Guinea adopted the Soviet prise.

model of economic development, enforced by an increasingly expressive regime which forced into exile over 25 per cent of the country's population of 5.5m.

A combination of microidal introduction of a dual exchange introduction of a dual exchange introduction of a dual exchange. decline into the ranks of the world's poorest countries, with a per capita income of less than \$100 a year.

The military, as they pointed the full string Guinea's oventual reinters.

The military, as they pointed out to the International Mone-

THE MAIN seafront hotel of tary Fund, inherited an economy Connkry is full these days of burdened by an "unproductive, foreign businessmen and aid underpaid and plethoric public donors while the capital's run-sector." a banking system in a down streets buzz with renewed state of collapse and a grossly

free political prisoners and cod Two years after the military human rights abuses. He was seized power, filling the political much slower to devalue the vacuum left by the unexpected syli and introduce other economic reforms for fear of a social

Toure, there are hopes that a sweeping programme of economic reforms could lay the foundation for future growth and prosperity.

Guinea, with its vast mineral resources, fertile farmland and enterprising people, used to be The revolt prompted the cautious and reserved President Coote to bit the bullet and, in tor and promote private enter-

A combination of misguided rate for domestic and external policies and economic mismantransactions three months president resulted in Guinea's viously.

tary zone.

The new exchange rate of \$1 to GF 340 greatly closes the gap with the black market rate of 410. Weekly foreign exchange auctions are planned in which licensed importers can help determine a realistic mar-

The reforms enable the private sector to obtain foreign exchange through the banking system and to rejoin the "official" economy. Previously about 90 per cent of economic transactions were made at the black market rate. A more realistic exchange rate will also help to attract badly needed foreign investment.

tegration into the franc mone. The six state-owned banks to the reform programme, ob- bigh places.

levels.

The 84,000-strong civil service is to be cut by up to 30 per cent this year with further cuts envisaged in 1987. New monthly cost-of-licing and transport. port allowances introduced in January have helped to offset the inflationary effects of devaluation.

• Agricultural producer prices

have heen substantially raised to encourage increased local output and to make cross border smuggling less lucrative.
The price of imported rise has heen quadrupled to belp local farmers and petrol prices tripled, thus reducing Government subsidies.

ment subsidies.

A state trading company has been crealed to compete with private traders and help guarantee adequate supplies of rise, sugar, cooking oil and other basic food items.

placed by three Franco-Guinean banks. The central bank has also been restructured with IMF aid.

About a dozen industrial public enterprises are to be privatised and another seven discounted for an SDR 33m (£25.4m)). 13-month IMF standhy loan in February followed shortly afterwards by a \$43m World Bank structural adjustment loan. Bilateral donors, included the seven discounter for the LIS and the seven should be servers say. solved. Government subsidies cluding France, the US and for public enterprises will be limited to \$12m this year while water, electricity and transport tariffs will be raised to realistic month on the rescheduling of the content of the rescheduling of the rescheduli the country's estimated \$150m external deht service due in 1986 as well as some \$250m of arrears. Guinea's total medium. term debt is estimated at \$1.5bn, mainly owed to official creditors. Towards the end of this year the World Bank plans to hold the World Bank plans to hold a donors meeting to discuss the financing of a three-year recovery programme, giving priority to the rehabilitation of economic infrastructure

Apart from a partial setback on prices, President Conte's Government, which now has a civilian majority appears to be

civilian majority, appears to he keeping to the reform pro-gramme. But the full infla-tionary impact of devaluation has still to be felt as well been created to compete with private traders and help guarantee adequate supplies of rise, sugar, cooking oil and other basic food items.

However, some price increases bave since heen reversed due to popular protests and this has raised doubts about the Government's commitment to the reform programme, observed the second trade of the second trade of the reform programme, observed the second trade of the reform programme and the reform programme.

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妙地也世 為江江

Minister denies agreeing to lift Mandela banning order

BY OUR JOHANNESBURG CORRESPONDENT

Mr Louis Le Grange, South Africa's Minister of Law and Order, yesterday backed away from an apparent agreement on Wednesday to any Government's banning order on Mrs Winnie Mandela.

On Wednesday, Mr Ismail lengable until two when the Supreme Court declared recent bans imposed on black activists invalid because Mr Le Grange had agreed not to oppose a court application by Mrs Mandela indopen unhanned. Mrs Mandela indopen unhanned indopen unhanned indopen unhanned until two when the Supreme Court declared recent bans imposed on black activists invalid because Mr Le Grange indopen unhanned indopen unhanned

since 1962 and is also a so-called "listed person," which means she caunot be quoted in South Africa. The latest order has prevented her from living in her Soweto home

since last year. Banning orders, which are

imposed by ministerial edict, have been used for over 30 years by South Africa's National Party Government to silence domestic critics. They were virtually unchal-lengable until two weeks ago.

viewing the order and the viewing the order and the entire matter of banning restrictions with his department's advisers. Meantime, legal advisers. Meantime, Mrs Mandela remains restricted and her lawyers are again preparing to challenge

Aquino official worked for Marcos family mine

pines' second higgest mining company while it was owned and controlled by the family of A spe

who is now Minister of Finance in the Aquino Government, conceded yesterday that the giant mining enterprise, Benguet Corporation, with revenues in excess of \$135m (£91.8m) was owned 60 per cent by the Marcos family.

Another company, Marcopper Another company, Marcopper which is in distress.

The previous owners had to

Another company, Marcopper Mining Corporation with annual revenues of \$30m. was also dis-Mining Corporation with annual revenues of \$30m, was also discovered to be owned 40 per cent by the Marcos family.

Mr Ongpin, who was among Mrs Aquino's closest advisers during the election campaign, was president of Benguet until he joined the Anuino cabinet in February.

Mr Ongpin did not make any public disclosure on the ownership structure of Benguet during the election period, when their equity participation was limited to 40 per cent after the US Government that allowed US citizens to own properties and companies up to 100 per cent.

Mro Ongpin did not make any public disclosure on the ownership structure of Benguet during the election period, when their equity participation was limited to 40 per cent after the US Government that allowed US citizens to own properties and companies up to 100 per cent.

Mro Ongpin did not make any public disclosure on the owner than 15,000 strikers yesterday returned to work at the US Subic Bay naval base after a 12-day walkout, Reuter reports from Olangapo.

A TOP official in the Government of President Corazon scandalons proportions, esti-Aquino managed the Philip-pines' second higgest mining \$10hn in the Philippines and

Sabah elections called in bid to break deadlock

BY WONG SULONG IN KUALA LUMPUR

ELECTIONS will be beld in Sabah on May 5 and 6 in an attempt to break the year-old political deadlock in the troubled East Malaysian state.

Yesterday's announcement by the Malaysian Elections Commission in Kuala Lumpur increased

Malaysian elections are not due until April next year.

Tan Sri Kadir Talib, the Elections Commission chairman, called on the Sabah's political parties to ensure a peaceful poll and to respect the election results. sion in Kuala Lumpur increased speculation that Dr Mahathir Mohamad, the Prime Minister, might call for national general

appears to be coming under instate's legislative seats, creasing challenge, especially Last February, several from his country.

from his former depnty, Datuk
Musa Hitam, and he would like
a fresh mandate to consolidate
his policies.

The Supreme Council of Dr
Mahathir's United Malays
national organisation will meet
on Sunday, and an early general
election is expected to be the
main subject for discussion.

Last Fehruary, several FBS
state assemblymen defected,
forcing Datuk Joseph Pairin
Kittingan, the Chief Minister, to
discove the legislature.
Sabah's 1.3m population is
delicately balanced. The Christian Kadazans and Chinese have
an edge as voters, but numerically the tilt is in the favour
of the Moslems

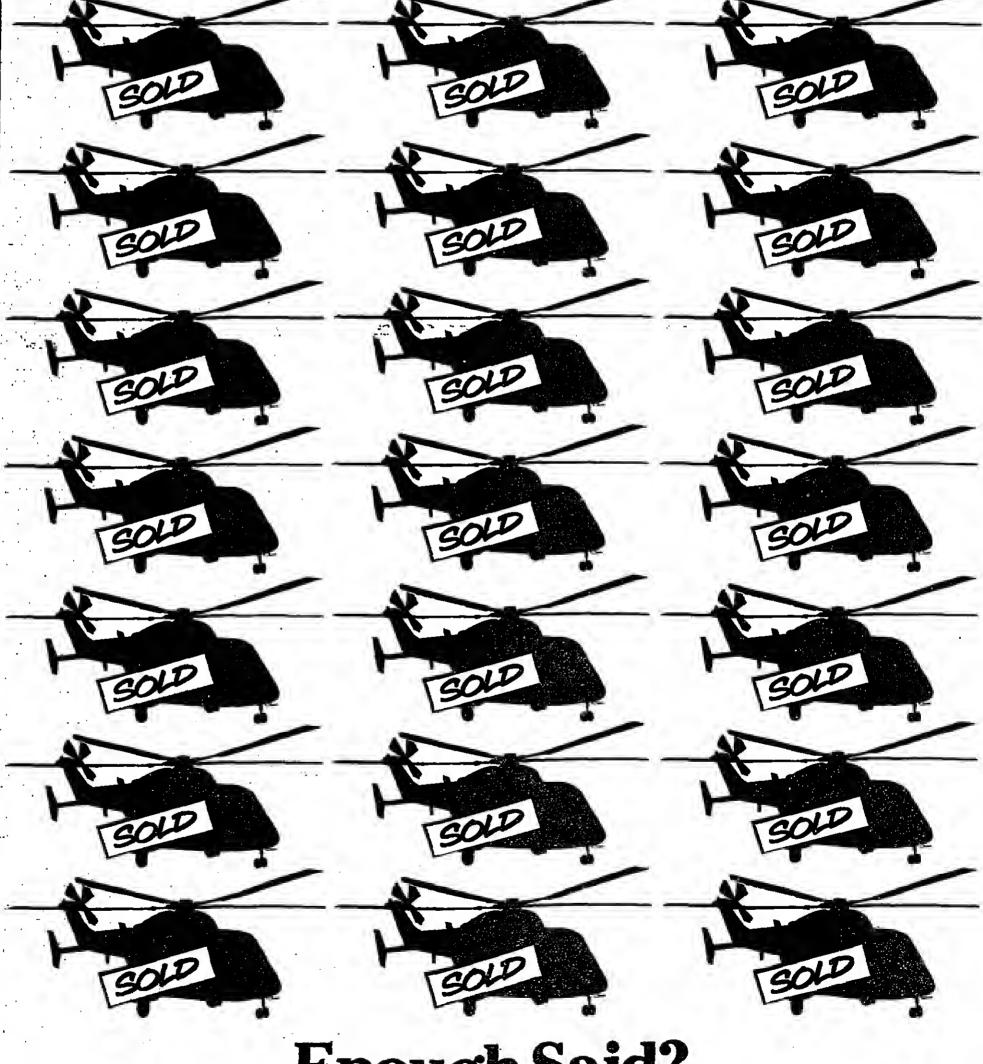
More than 423,000 Sabahans are eligible to vote. The last might call for national general elections to coincide with the Sabab poll.

Dr Mahathir's five-year rule Party Bersatu Sabah (PBS).

The last sahab election, held a year ago, was won by the Christian-led Party Bersatu Sabah (PBS).

Which secured 26 of the 48

Last Fehruary, several PBS



Enough Said? Frankly, there's been more than enough said about Westland over the past

few months. This ad is not about politics, it's not about recriminations, it's simply about success. What's more, success for the newly recapitalised Westland plc.

Two days ago the contract signed recently, to supply 21 Westland 30's to the

Helicopter Corporation of India became effective. Three year's negotiation is over, two years of manufacture is about to begin. For an order worth over

At the moment we've little else to say. (And anyway, if you'll excuse us, we've got work to do.)



\$30bn MIDEAST AID FUND PROPOSED

Peres pushes for 'Marshall Plan'

WEST EUROPE and Japan governments. The US supported should take the lead in financing a major economic development "economic development for of the Middle East." a major economic development of the programme for the Middle East, similar to the post-war US-funded Marshall Plan for Western Europe, Mr Shimon Peres, the Israeli Prime Minister, said here yesterday.

"economic development for development for peace in the region"—but saw potential political and financial obstacles."

Mr Peres, bowever, indicated that he was not looking to Washington to provide the bulk

Mr Peres made a public call for support for the proposal on American television at the end of a two-day private visit to Washington in which he explained the plan to Mr George Sbultz, the US Secretary of State and other leading Reagan Administration officials.

The State Department said that it would attudy the plan and discuss it with the United States' Westero allies and Arab

comes down

By Our U.S. Editor in Washington

A TURBULENT quarter centry

of Southern politics has come to a symbolic end with the retirement from the fray of Governor George Wallace of Alabama, four times a presidential candidate and once the

where he began his stormy career in 1947, "I have climbed

my last political mountalo," be

Mr Wallace, partially deaf and confined to a wheelchair since he was shot in an assassination attempt in 1972,

archetypal embodiment

segregationist values.

Wallace

from the

mountain

that he was not looking to Washington to provide the bulk of the funda he is seeking, reported to be between \$20bn to \$30bn (£20,5bn). "America helped Europe in the wake of the Second World War. Now the time has come to the Europeans and Japanese to help tha Middle East," be said.

Mr Peres said that of the

Wallace: arcb segregationist

Wallace won an astonishing 13.5
per cent of the nattional vote.
With his right-wing populism,
his appeal extended well
heyond Alabama.

With the work will almost containly

History will almost certainly

remember him hest in his fre-brand days of the 1960s, when he defantly committed himself

admision of two hlack students

ancial constraints in the US stemming from the new Gramm-Western countries. Another problem would be to persuade

Washington is apparently thinking of a multilateral fund that would help countries like Egypt, Jordan, Lebanon and Syria, as well as Israel, although Syrian participation is regarded as doubtful. It is thought possible that the US will raise the issue with its leading industrial allies at the seven-nation West. of the Middle East."

Oil-producing Arab countries would lose up to \$100bn this year as a result of the plunge in oil prices, and many of them were too poor to bear the loss, Mr Peres said. The oil producers' loss would mean a \$70bn gain for Japan and Western Europe. be said.

Explaining the potential obstacles. Reagan Administration officials pointed to the financial constraints in the US that would help countries like Egypt, Jordan, Lebanon and Syria, as well as Israel, although Syrian participation is regarded as doubtful. It is thought possible that the US will raise the use with its leading industrial allies at the seven-nation Western economic summit in Tokyo at the beginning of next month.

Mr Peres said that he had told the Europeans and Japanese. "If you want to guarantin for the plunge in oil prices, and many of them were too poor to bear the loss, and the US will raise the use with its leading industrial allies at the seven-nation Western economic summit in Tokyo at the beginning of next month. tee the oil supply in future, you

stemming from the new Grammsbould invest not only in
Rudman budget balancing law refineries and pipelines hut in
and fiscal difficulties in other political infrastructure." Economic development, he argues, will also improve the political the Arab countries to participata climate for progress towards a in a joint operation with Israel.

US, Europe agree space station plans

THE US has finally reached tor general represents someagreement with Westero thing of a climbdown by the Europe about the broad plans for an international space the past few months has said that a partly free-flying laboratory would help in the long-term (£8.16hn).

Professor Reimar Luest, director-general of the 11nation European Space Agency, study such free-flying platforms has written to officials at the as part of its plansfor space US National Aeronautics and Space Administration (Nasa) assuring them that the proposed European part of the base will he permanent and not form part of a future, independent European heavenly outpost.

Under the plans drawn up hy Nasa, the station will be used for scientific experiments and the launch and repair of satellites and will include three lahoratories which will he hullt in the US, Japan and Westero Europe. Canada — wbicb, like Japan, bas already agreed the outline plans for participation with Nasa — is also due to

Until the commitment by Proreasor Luest. US officials were concerned that the European part of theventure—a staffed workshop called Columbus—would not necessarily form a permanent part of the structure. The structure which President Reagan has said the structure of the structure.

goal of achieving an independent European orbiting outpost. ESA will, however, coutinne to programmes in thenext 20 years

A Nasa official said: "The assurances from the Europeans assurances from the Europeans are extremely important. They mean we can go ahead with the general planning for the space station,"

Nasa plans to present details of the station to a Congress hearing next week. For the first time the plans will contain a specific description of the role to be played by the overseas countries.

This hearing hy a sub-com-mittee of the House of Representatives' committee on science and astronautics, is the first of a series of hriefings which Nasa is due to give to Congress on

which President Reagan has said request for space station activities. Full-scale development work on the base is scheduled to hegin in May next year.

Nasa role in satellite launches may be cut

THE STAFF of a Reagan Administration interagency group is close to recommending that Nasa, the US space agency, abandon the business of launching commercial and foreign-government satellites, AP-DJ reports from Washington.

The staff is expected soon to complete its recommendation, along with others dealing with space-policy issues in the wake of the Challenger shuttle dis-aster. The recommendations are to be submitted in the staff's supering next week.
The interagency group on
space policy includes senior
White House officials and
some cabinet secretaries, who in turn will make final reommendations.

Staff members may yet change their minds before forwarding recommendations in their superiors, but a preliminary draft, recommends that Nasa turn over the lannching of such satellites to private companies that would use unmanned, expendable

The transfer, which would space policy, could occur in the next two to three years. Nasa would launch only US Government payloads, pri-marily military and a few pri-vate payloads.

El Salvador claims heavy rebel losses

THE SALVADORAN military says it killed, wounded or captured 148 guerrillas in March, and 94 of its soldiers were killed or wounded, AP reports from San Salvadur.
The guerrillas clandestine
Radio Venceremos claimed to
have killed or wounded 573 have killed or wounded 573 members of government forces during that time, more than half of them hy mines or booby traps. The hroadcast gave no figures for rehel losses.

The guerrillas of the Farabundo Marti National Liberation.

Front are fighting to overthrow the US-backed government of President Jose Napoleon Duarte, The rebels claimed to have hurned 1,060 acres (430 hec-tares) of coffee plants, and said they hlew up about 150 power poles and transmission lines,

Argentine and Mexican debts 'largely due to capital flight'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

foraign dabt.

It says that Argentina would have just \$1bn (£680m) in foreign debt today instead of \$50bn if there had been no capital flight. Mexico's deht would be an entirely manageable \$12bn instead of \$97hn. The figures take into account the continuing drain on the balance of payments of servic-ing dabt incurred to finance capital flight which in Mexico's case totalled \$53bn in the past

than exaggerate it.

The figures are reached by adding together recorded inflows of capital through net foreign investment and foreign horrowing and subtracting from this total the current account balance of payments deficit as well as increases in official reserves and recorded foreign assets of the dehtor's domestic banking system. The residue is banking system. The residue is capital flight in the broadest

ARGENTINA and Mexico would be virtually free of their crippling foreign debt burden if they had not suffered from chronic capital flight over the past 10 years, according to a new study by Morgan Guaranty Trust of the US.

The study, published in the bank's monthly review of World Financial Markets, offars one of the first detailed assessments of the first detailed assessments of the relationship between capital flight and the build-up of foraign dabt.

10 years while that of Argantina totalled \$26bn.

Morgan Guaranty warms that its fligures, which are widely study is that capital flight is not foculated in a number of countries covered by its study. After conclusion of the study is that capital flight from provide only a rough estimate because of the lack of reliable data, but it says that with few exceptions the totals are more than exaggerate it.

The figures are reached by adding together recorded in flows of capital through net.

Not all this money was

Not all this money was stashed away in secret bank accounts by rich individuals. Morgan says it is using an "expensive" definition of the meaning of the term capital flight. It includes perfectly legitimate activities such as the acquisition of foreign-currency working balances by local enterworking balances by local enter-prises engaged in international trade and trade credit extended directly by local exporters to their foreign customers.

Peru set for crucial IMF talks

BY OUR EUROMARKETS CORRESPONDENT

pay the arrears, now amount-ing to some \$120m (£82m), by the government of President instalment. The IMF has Alan Garcia which owes inter-warned Peru that it will be national creditors more than declared ineligible for further \$14bn. drawings unless they are made

Monetary Fund on arrears that luctant to consider such a threaten to cause his country to be barred from receiving ment is substantial.

The IMF bas had to steer a

Bankers say they expect Mr narrow course in its dealings Figueroa to propose a deal to with Peru between exerting the IMF under which it would normal discipline on a member Its reluctance to declare

good by April 15.

Abead of the talks, which are expected to last most of next resistance of the Garcia Governary arrangement.

MR Leonel Figueroa, president week it is uncertain how the of Peru's central hank, is to the instalment programmes could be visit Washington shortly for talks with the International hankers believe it will be revisited away. uctant to consider such a of words between the two sides cheme unless the initial payner is substantial.

The IMF bas had to steer a announced in Lima that he had ordered the closure of the IMF mission there. In fact the IMF economist, Mr Waldemar de Moraes, who mans this mission, had been scheduled to leave anyway hy prior agreement.

He had been appointed to the position for a two-year period in 1984 at the request of former President Fernando Belaun to monitor a previous DAF

Call for more help to East bloc

pean allies is providing the West with a chance to increase tts influence in the region, representative David Obey, chairman of the joint economic committee of Congress, said yesterday, AP reports from

"become more flexible in its gress and other government on the debts and other economic policies . . . by improving and private organisations. problems of its Eastern Euro- economic relations with countries. tries that are adopting liberal and l'ugoslavia all face a economic reforms or improving future of sluggish economic their record on human rights. growth and austerity, the report His comments accompanied the release of a two-volume

Urging a more flexible US policy. Mr. Obey said: "It is ridiculous for us to be normalisreports from the Central Intelligence ing trade with the Sovieta and Agency, the Library of Con- not with the East European.

WORLD TRADE NEWS

French group claims victory in Indian gas pipeline bidding

The ailing Mr Wallace, 66, announced that he would not seek a fifth term as Governor in seek a fifth term as Governor in 1968, running as a third-

podium of the State House of party presidential candidate, on Representatives in Montgomery, a "law and order" ticket. Mr

has suffered virtually constant pain and Illness for the past to "segregation now, segregation at thorn in the flesh like forever." He gained notoriety hy the Apostle Paul. I prayed standing, as goveroor, in a acboolhouse door to hlock the admission of two hlack students

it would not," he said.

Mr Wallace helieves that without that thorn he would have won the presidency in 1972 and "the country would not be in the mess it is in today."

Matter acceles would dispute the country would not be in the mess it is in today."

admission of two flack students to the University of Alahama. Since then, bowever, Mr Wallace has mellowed, showing a knack of changing with the times. In 1982, despite his physical handicaps, he was elected to an universident of fourth terms.

Most people would dispute an unprecedented fourth term that, but it is widely accepted as governor,

BY JOHN ELLIOTT IN NEW DELHI

A FRENCH-JAPANESE consortium led by Spie-Capag of parisons are complicated by the Paris last night claimed victory for the second time in six by each bidder submitting months in the battle for the second time in the battle for the second size as the second size as the second size based on second size based \$600m to \$700m (f476m) consystems based on aero-engine tract to lay a 1,700 km natural and industrial engines. Never-

by the gas authority of India in New Delhi's Samrat Hotel, a week after the Indian Govern-ment asked the companies to submit revised final offers. Spie first claimed victory last November when the bids were first opened.

According to preliminary calculations, the Spie-Capag's con-sortium, which includes NKK which exclude supplying the plpes but include overall execuand Toyo of Japan and Larsen and Toubro of India submitted a bid of about \$600m in yen, French francs. dollars and

Snamprogetti of Italy, the other front-runner whose bid in dollars and rupees was thought to equal \$650m. This bid in-cludes Dodsal of India and un

bid of about \$690m. The fourth Condux of Mexico, submitted a

The contractors and the gas authority were late last night making their individual calculations of the bids.

**108m to \$706m.

After several days of baggling over the currency valuations, the Government gave the companies till yesterday to suhmit Snamprogetti claimed its offer the final bids

gas pipeline across Indla.

Bids from four international consortia were opened last night should be seen and the same of the less. Spie appeared to be \$40m to \$50m lower than Snamprogetti in both cases. Snamprogetti has been well established in India for many years and bas fought bard for

this contract. Last summer it was partially responsible for persuading the Indian Government to abandon tenders for piecemeal contracts and invite semi-turnkey tender tion of the contract, pipe-laying

and other items. When the French - Japanese a bid of about \$600m in yen,
French francs. dollars and
rupees.

This appeared to be about
\$45m below a consortium led by
\$75mmprogetti of Italy the other

NKK did not bave sufficient experience to qualify for the

cludes Dodsal of India and un to \$90m work from the UK backed by British aid.

The third main competitor, a Canadian consortium led by Majestic of Alberta submitted a

Majestic of Alberta submitted a

Spie acknowledged that its November offer of \$609m bad risen to \$670m hecause of

hid of \$605m but without suffi-cient soft loans to be comnen-tive. currency changes while Snam-progetti bad dropped from \$708m to \$706m. After several days of baggling

The state of the s Community members line up for mixed credit clash

wrangle over export credits. Tomorrow's match-providing it is not overtaken at the last moment by the need for an EMS realignment — is a replay of a March ministerial meeting, which failed to provide a final result in a tussle over mixed credits—an issue which has divided EEC members and pitted the US against the

Community. Mixed credits combine normal itself should be calculated.

export credit financing with an element of aid or funds on very soft terms. The finance min-isters bave to decide what ought to be the permissible level of aid and bow the aid element Ministers are heing forced to accounted

tredits. The Reagan Administration would ideally like them brought under tighter international control.

The sums involved are considerable. The Organisation for Economic Co-operation and Development (OECD) has an observed the pressure to raise an arbitrary 10 per cent and is expensive for low interest rate and resisted the pressure to raise an arbitrary 10 per cent and is expensive for low interest rate and the aid element.

At first the Community resisted the pressure to raise an arbitrary 10 per cent and is expensive for low interest rate applied to a total package—countries like West Germany the existing system less secretive. But it was told, by the UK among others, that this would never appease the US.

The position them with the conditions under resisted the pressure to raise an arbitrary 10 per cent and is expensive for low interest rate applied to a total package—countries like West Germany the existing system less secretive. But it was told, by the UK among others, that this would never appease the US. Economic Co-operation and to do is work Development (OECD) has calculated that in 1982 tied aid credits represented 15 per cent of officially supported export credits worth SDR 33hm raised in Ap (642 9hm)

The OECD calls mixed credits tied aid credits because the aid element is inevitably tied to the purchase of goods and services in the country providing the funds.

In 1984, tied aid credits exporters. The higher the miniworldwide

the OECD ministerial meeting Under the Consensus, the aid

tive top-up in a financial package. The US now wants the minimum raised to 50 per cent. It is an idea which is also There is a con

never appease the US.
So the idea gained ground that France and Italy might be

persuaded to accept raising the element in a mixed credit was minimum aid percentage—not raised in April last year from to 50 per cent but perhaps to 20 per cent to 25 per cent. Thus 30-35 per cent—if the way in it should he more than a seduc—which the ald element is calculated could be changed.

This goes to the centre of the disadvantages to countries like France and Italy of raising There is a complex formula

attractive to smaller Community for assessing the extent of the discount factor would edits exporters. The higher the mini- aid and it includes a discount future be related to movem for mum eid element the more factor. This is hased on the in market interest rates.

The proposal under considera-tion is that in order to offset the minimum aid percentage the discount factor would in future be related to movements the Netherlands will be voted

THE DUTCH village of Ootmarsum tomorrow becomes the
playing field for a regular Euro
pean Community fixture—the

SDR 5.8bn of trade, while last
to finance especially
year the total is thought to he
playing field for a regular Euro
pean Community fixture—the

SDR 5.8bn of trade, while last
to finance especially
year the total is thought to he
paign hy the US against mixed
over SDR 6bn.

The industrialised countries

At first the Community
SDR 5.8bn of trade, while last
to finance especially
notion that money is worth less
over time.

The discount factor which was a loss in the sense that

At first the Community
Set hy an OECD Committee, is packages would become more

financial package to the country Ootmarsum hotel is that West providing it, the crucial figure Germany and the Netherlands is the difference between this favour raising the aid clement 10 per cent and the actual mar- percentage but oppose changes... ket cost of raising the money in the discount rate. France for the package. and Italy, however, will not and Italy, however, will not accept the former without the

latter. At the end af the day. specialists predict, the finance ministers will change their informal meeting into a formal conneil, and West Germany and

Lift curbs on free flow of information, says City report

BY CHRISTIAN TYLER, TRADE EDITOR

GOVERNMENT controls over the processing, sale and trans-mission of information must be harmonised to encourage its free movement worldwide, a City of London committee said yesterday. In a report sent to the British Government, the com-

mittee called for co-ordination between dapartments of state at bome, common policles in the EEC and international trading rules supervised by the General Agreement on Tariffs and Trade (Gatt). and Trade (Gatt).

Because the aubject of international information flows was so complicated—yet so important in modern economies—It might have to be examined separately hy the Gatt before becoming next of the international information is becoming an important part of the production while hiurring the distinction between them so complicated—yet so impor-tant in modern economies—It might have to be examined separately by the Gatt before becoming part of the inter-

The report is by the Liberathe mass movement of informalisation of Trade in Services tion at high speed, rather than committee of the British Invisible Exports Council, which transfer.

But it notes restrictions imvisibles earners with govern-ment and international agencies. Most of the information generated, stored and transmitted across frootiers is inter-nal company information, but a growing proportion — perhaps over 30 per cent — is heing hought and sold, the report

between them. national trade negotiation due
to be launched this September.

Yesterday's report tries to detine the policy issues raised hy

posed by Brazil on data pro-cessing outside the country and insistence on local computer equipment. Canadian controls over offshore banking trans-actions and transmission of financial data, and protectionist requirements of the West German telecommunications authority. The report says that financial and other service companies have generally managed to live with national restrictions. How-ever, they are airaid that state

mission was rapidly replacing of their indigenous culture and microfiche, documents, and excessive influence from alien, magnetic tapes and discs. dominant cultures," yet did not were the banks, insurance, nology, credit card companies, airlines, travel agents, estate agents, bond dealers, and the commodity, currency, capital and securitles markets. securities markets.

Business was nervous of the monopoly power of government-controlled PTTS "and the delays to achieving n proper lalgal framework caused by politics and bureaucracy." Multiwational companies and international traders were most vociferous in support of frea trade, but national companies felt threatened by their power. The governments of develop-

curement policies, measures to ensure data privacy and copy-right, fiscal policy and exchange controls, language differences and state subsidies. Introducing the report yester-day, Sir Michael Palitser, chair-man of the committee, ad-

mitted that international agreement would be difficult. ornation is becoming an important part of the production regulations, administered by national companies felt. Answering objections raised threatened by their power. by the developing countries, has could progressively stifle innovation to serve a potentially vast in governments of developing countries, has could progressively stifle innovation to serve a potentially vast in governments of developing countries, has developing countries, although by no homogenised and Americanised means foremost in restricting in there are substantial benefits to formation flows, "fear a dilution he gained from as free a regime Answering objections raised by the developing countries, ha said: "Without having to be homogenised and Americanised there are substantial benefits to

Czech plan for imports 'unrealistic'

WESTERN exporters hoping to

By Leslie Colitt, recently in

cash in on Czechoslevakia's high planned growth in imports from the West this year may have to wait a little longer. Czechoslovskia's target this year of a 13-3 per cent increase in imports from the West is considered unrealistic by Western commercial analysts of Prague's foreign trade.
They note that last year's goal of a 9.1 per cent growth in imports from the West was also too high. The Government said actual growth was 5.1 per cent hut the Chamber of Commerce in Prague noted that imports from non-socialist countries rose 1.7 per cent last year. According to analysts the latter figure was

more accurate.

Czechoslovakia's trade with
OECD and developing countries
last year fell to about 20 per
cent of its total foreign trade. Officials in Prague noted that Czechoslovak imports from the West were linked to its hard currency exports. East year exports to OECD and developing countries rose only 0.6 per cent. The trade surplus last year, according to the Western analysts, was below the \$800m which Developed to the Western analysts, was below the \$800m which Developed to the \$800m which Deve

Soviet credit for Algeria

ALGERIA has signed a finan- and the Soviet Union signed cial protocol with the Soviet last week in Moscow during an Uoion opening up a credit line official visit by Algerian Presiof \$350m (£280m) over the next deni Chadli Bendjedid. four years, according to the The development projects in-official Algerian news agency, clude the construction of an

finance 22 economic development projects, the news agency ber of specialised teaching said. Repayment is to be made over a 13-year period with The Soviet Union is to pro-50 per cent of it in dollars and the rest in the form of industrial

P reports.

A automobile spare parts factory.

The funds are to be used to five irrigation dams, a cemant works, a brick works and a num-

The Soviet Union is to proper a 13-year period with the Soviet Union is to proper to be properly of the report, prepared by a proper to be properly of the report, prepared by a widely circulated among diplomatic circles and published in the form of industrial maining and geological exploration and is expected to be properly of the report, prepared by a widely circulated among diplomatic circles and published in the maining and geological exploration and is expected to be properly of leading Japanese newspapers. In many respects, the report to be leading Japanese newspapers. In many respects, the report to be leading Japanese newspapers. In many respects, the report to be leading Japanese newspapers. In many respects, the report former Bank of Japan governor, by local government authorises and published in the maintenance of leading Japanese newspapers. In many respects, the report former Bank of Japan governor, by local government authorises and published in the maintenance of leading Japanese newspapers. In many respects, the report former Bank of Japan governor, by local government authorises and published in the ministry of International referring to a report to be leading Japanese newspapers. In many respects, the report former Bank of Japan governor, by local government authorises and published in the ministry of International red techolcal assistance in main greated by Mr Haruo Maekawa, leaders established by the amount of charged by Mr Haruo Maekawa, leaders established by the main greation of international report to be leading Japanese newspapers. In many respects, the report former Bank of Japan governor, by local government authorises and published in main greational red techolcal assistance in mining and geological explorations. In many respects, the report to be leading Japanese newspapers. In many respects, the report to be leading Japanese newspapers. In many respects, the report to be leading Japanese and published in main circles and published in main circles and published in main circles and pu of a broader economic coopera-tion accord between Algeria lines, the agency said.

Japan told to change policy in favour of cooperation BY CARLA RAPOPORT IN TOKYO

JAPAN MUST make major out a major transformation of Trade and Industry (Mifi) last trade imbalance in its report. JAPAN MUST make major transformation of changes in its economic policies in order to correct its trade imbalance with the West, according 10 a report which will be presented to Prime Minister Yasuhiro Nakasone next week.

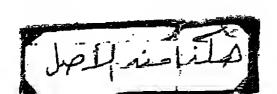
The report, prepared by a committee of leading Japanese next week widely circulated among diplomatic firmulations. It is a major transformation of trade and Industry (Mifi) last week. Both studies call for a shift away from an export-led economy and toward one where domestic demand drives economic growth.

The Stody Group of Economic policies the country's economic policies the cou

The report calls on the Government to expand bousing opportunities for the Japanese through a variety of incentives, to stimulate private consumption through tax cuts and shorter working hours, and to

he hoped Japan would develop
a forward-looking inproach to
deal with US-Japan economic
relations, a Foreign Ministry
official said, AP-DJ reports. The official said Mr Sigur was

told Prime Minister Nakason



Some believe history repeats itself.

Others read The Economist.

The Economist

Your weekly view from London of World Affairs, Finance, Science.

Finance pledged for planned newspaper

THE INDEPENDENT, the new quality newspaper being planned by former Daily Telegraph journalists, now has more than three quarters of its finance pledged and bopes to complete an £18m package by the middle of this month.

The creation of The Independent. made possible by the change in the division show doubled sales in West newspaper investment climate Germany, to 3.116 units, and an 65 sparked by Mr Eddie Sbah's Today. comes as Today itself appears to be

facing increasing difficulties. Circulation of the colour tabloid daily paper, it is now conceded, dropped towards 500,000 last week although Mr Shah's presses have the capacity to produce 1.25m copies. The latest readership research suggests that the decline from last month's launch has still oot reached a plateau.

promised before the launch that #4

aiming at a different readership the middle to upper end of the newspaper market - posted its prospectus to potential investors vesteroay. More than 30 insurance comsioo funds bave already pledged support for the £16m second round financing. The average jovestment is about £500,000 but four institutions are putting up around film

Charterbouse Japbet, the merchant bank and stockbrokers de Zoete & Bevan, which are arranging the finance, say they are confident the offer will be fully subscribed by the completion date of April 17.

Mr Andreas Whittam Smith, editor of The Independent, said yesterday: "I think it will be completed in two or three days time. The money is all coming in now."

The Independent, which has already moved into its six floors of offices at Pembroke House in the City of London, plans to sign cootracts for its electronic oewsroom equip-ment next week. It plans to start publication in the first week of October.

The company says agreements bave already been signed with the four companies which will be printing The Independent under contract in different parts of the couotry: EMAP in Peterborough, east England, Westminster Press in Bradford, Yorkshire, Downsweald Publishing in Sittingbourne, Kent. and Portsmouth and Sunderland Newspapers in Portsmouth, south Invited to bid.

A promotion budget of £5m over for the initial seveo-year contracts 15 months will emphasise the twin would have to be in by August, with themes of quality and independence. The prospectus envisages a before the end of the year, probably circulation of 373,000 in the year to the end of September 1287 building to 471.000 by 1990.

The readership study of the national oewspaper market being carried out by AGB Cable and Viewdata shows that the downward trend of Today readership continued into the fourth week since the launch. Last week, the average daily readership of Today was only 3.9 per rent of the AGB panel of more than 1,000 people who keep diaries

our main competitors and it bas

Lecture on BBC television last

night. "We are the only developed

country in the world to bave

Sir Joho attacked the "persistent

rumour" that manufacturing was no

longer needed, and that services would solve Britain's problems.

The UK bas been losing its share

of the world market in services at

double the rate it bas in manufac-

Tourism was not the answer eith-

er. "If we imagine we can get by

with a bunch of people in smocks

showing tourists around mediaeval

castles we are quite frankly out of

declined in this way.

BL's European car sales up 53% in quarter

BY JOHN GRIFFITHS

AUSTIN ROVER'S sales in its main continental European markets increased by 53 per cent in the first quarter of this year, to 25,000, compared with the same period a year

ago. Statistics from BL's volume cars per cent increase in Italy, to a rec-ord 6,700 units.

Exports to Spain were up 172 per cent. Spanish sales remained small in unit terms at 1,724, but enough for Austin Rover to be considering shipping more cars than provided for under the low-duty import qun-tas agreed as part of Spain's accession to the EEC.

Under these, Austin Rover can ship 4,800 cars to Spain this year with a 17.5 per rent import duty. Today also plans to reduce its with a 17.5 per rent import duty. regular number of pages from +1 to Above this level, Austin Rover 40, despite the fact that Mr Shah would have to pay duties of more than 30 per cent.

pages would be produced every day.

The Independent, a broadsheet said yesterday that Spanisb de-Mr Peter Johnson, sales director, mand was running at such a level as to warrant a decision on higher shipments "within the next few

In Portugal, Austin Rover's firstquarter sales also doubled, to 1.843 units, which represents a 10 per cent sbare of the total market. Mr Johnsoo said there were no special factors influencing the first quarter performance. He attributed the improvement to "getting product, pricing and marketing policies right. We really have got a momen-

encouraging. We have not simply bought market share." Although be would give no forecast on Austin Rover's likely sales on the Continent for the full year, be added: "I will be disappointed if sales are not up significantly, and

tum going in Europe. It is genuinely

position in the sales chart which it lost to Vauxhall/Opel in the opening two months of the year. It is believed to have finished the month with a market share of about 17 per cent, compared with less in 15 per cent for Vauxhall, but

per rent Austin Rover gave details of the export figures on the day after its state-owned parent, BL, announced e £8m operating loss for ARG Holdings, which includes both Austin Rover and BL Technology.

still well behind Ford's expected 27

Arthur Smith writes: The BL group results give only the broad figures. The breakdown of individual company trading performance and profit or loss after tax or interest, is not revealed notil some months later.

Little publicity bas been given to the increasing profits contributioo made by BL Technology - a company set up in 1979.

Last year the company contributed profits of around 13m against £2.75m in 1984.

Mr David Andrews, the BL executive director at present beading the management buyout bid for Land Rover, was the first chairman of BL Technology. Its role was to offer BL group companies facilities for testing new vehicles and to carry out advanced eogineering

It not only supported Austin Rover's model development programme testing new vehicles such as the planned new Rover executive salooo, but sought to belp with engineering research outside the motor

Austin Rover remains its bigges customer, but clients include Land Rover, Freight Rover and Jaguar The new XJ 40 Jaguar scheduled to In the UK last month Austin Rover be launched later this year, has is believed to have regained second been tested by BL Technology.

Only 10 bids to run naval dockyards

ting to manage the two naval dock- Appledore. yards under the Government's partial privatisation plans has dwin-dled further, with the announcement yesterday that 10 have been

The Ministry of Defeoce said bids in November. In February the ministry said 15

companies wanted to tender manage the yards. Foster Wheeler of the US has been told it will have to link with UK groups if it wants to run the large Devonport yard in south-west England. Last night it said it was still seeking partners.

consortium comprising Trafalgar ships.

survival plan, says ICI chief

says Sir John Harvey-Jooes, management and workers. The

smaller part of our economy than and the Tory party and between the

been shrinking not growing." Sir have been a means of preserving to-John said in the 1986 Dimbleby tally outdated adversarial atti-

change.

"Our manufacturing sector is a Confederation of British Industry

MANUFACTURING in Britain has become an endangered species, tween political parties and between cite and stimulate the young to pur-

historic relationships between the

Labour party and the trade unions

symmetry of political and industrial sides bas a lot to answer for."

Sir John put forward a four-part

strategy for ensuring the survival of

manufacturing exploiting Britain's

talent for science, emphasising the

international aspects of business,

getting a bigger share of bright young people into industry, and learning to manage industrial

Sir John said that Britain was in

danger of failing to recognise that

its science was a major strength. "I

THE NUMBER of companies wan- House, Plessey Marine and A&P

The management of Rosyth in Scotland still has to decide whether to bid. It has been assessing internal and outside support. The cootenders are: a consortium of Babcock International and Thorn EMI Electronics, another consortium In which Balfour Beatty has joined oeering Industries; and Press

Successful bidders to run the yards will bave a core of naval work, totalling over £1bn over seven years in Devonport's case to which they can add other naval and commercial orders.

Five companies - Vickers Ship Among those asked to bid are the present managers of Devooport.

Uoder the name of Devonport Still interested in bidding but have Dockyard it is cootending with a said they will need to form partner-

> cite and stimulate the young to pursue scientific interests." be said.

Commenting that "Britain bas in-

vented for others to exploit," Six

John said "the spark of invention

and innovation must be fanned into

flame by marketing - and nothing

is more rertain than that marketing

needs to be worldwide."

'Endangered' industry needs a

struction.
The 400-acre site in Sherwood

600 bungalows in e landscaped setting with water and leisure facilities. The project has the sup-port of the East Midlands Tourist County Council.

The UK bad an absolute and inescapable need for international companies, be said. "To be successful in an integrated world ecocomy we have to compete in the growing areas of high-technology goods like chemicals, pharmaceuticals, elec-tronics, telecommunications, motor vehicles and aerospace.

"These industries are enormous and have to carry research and de-velopment costs far beyond the scope of small companies. The costs and risks involved cannot be sustained by a tiny UK bome market teaching in primary and secondary either," be said.

Liberal leader urges profit sharing

A BIG expansion of profit sharing a more equitable distribution of Similarly, Mr Steel argues that, and employee share ownership schemes to help to regenerate Brit-isb industry is proposed this morn-

ing in a pamphlet by Mr David Steel, the Liberal Party leader. Mr Steel discusses the current experience with both cash profitsbaring schemes, such as those op-erated by the retailers John Lewis Partnership and Boots, and added value schemes like the one at ICI. together with various employee

belp to encourage greater employee ficant element of profit sharing to involvement and job satisfaction, provide greater flexibility in the laencourage co-operation and provide bour market.

wealth. element of remuneration more closely to profitability, companies permit profit sharing to develop volwould be made more responsive to the business cycle. Inflation, be says, would be pegged back sinre remuneration would rise when profitability and productivity allowed.

Mr Steel's pamphlet was written before the budget last month when Lawson by explicitly linking profit sharing into a national incomes Mr Nigel Lawson, the Chancellor of toe Exchequer, floated the idea of He argues that profit-snaring can tax incentives to encourage a signi-

ealth. at a national level, profit-sharing
Mr Steel says that by tying an can reduce Britain's succeptibility to wage-push inflation. The aim is to untarily so that gradually employ-ees will be paid not just a reason-

able basic wage but also, increas-ingly, e sbare of the profit." Mr Steel goes further than Mr

In place of the present complicated regulations, Mr Steel proposes that only a few basic ground rules need to be laid down for schemes to attract tax incentives.

run betting industry in **Netherlands**

By David Goodhart

LADBROKE, the biggest name in British gambling, has been granted a 20-year exclusive licence in run the horse-race bet-ting industry in the Netherlands. Ladbroke Bacing International said it had to pay nothing to take control of the small industry from the Dutch Ministry of Agri-culture and Fisheries and the Ministry of Justice. It is, however, aiming to invest £1.5m in the first year and a further 15m over the next four years. Horse race betting in the Netherlands

at present makes a small loss on a turnover of about £20m. Ladbroke already owns about 50 per cent of the industry in Belgium and William Hill, the Sears Holdings betting chain subsidiary, announced last month that it had bought 345 betting shops in Belgium out of a to-tal of 1,600.

The Dutch industry is far smaller, consisting of five offcourse betting shops in Amster-dam. The Hague and Botterdam and the shops at the eight race-

Ladbroke believes that there is considerable room for expansion in the Netherlands - perhaps up to 580 shops. Mr Ken Overton, chairman and chief executive of Ladbroke's International Racing Division, said: "The new operation will be nf great benefit to the welfare of the Dutch horse racing industry with whom we will be working closely on the expansion of betting.

"Our entry into the Nether-lands, already preceded by our success in Belgium and Michi-gan, in the US, is part of an international development strategy."

Ladbroke said that there were few restrictions on betting in the Netherlands with the shops able tn stay open all day. The tax there was considered quite low by international standards. Negotiations began six months ago with the Dutch Government and at one time they are understood er major UK betting group.

Dutch plan holiday village By James McDonald

A £31M TOURISM investment

has been secured by the English Tourist Board (ETB) for a holi-Nottinghamshire, to be built by the Dutch boliday centre specialists, Sporthuis Centrum. The ETB, to secure the project,

bas awarded its largest grant to a single programme, £1.5m. Con-sulting engineers to the project are Ove Arup & Partners. If the Sherwood Forest devel-

opment is successful, Sporthuis Centrum is considering a further five or six locations in England for future holiday villages, creating 1,200 jobs.

Work on the village, due to

open in July next year, will begin immediately. It will create 241 full-time jobs and more than 400 will be employed in the con-

Forest will be developed on the lines of a formula developed on the European continent by Sporthuis Centrum. The organisation operates eight similar parks in Belgium and the Netherlands and claims an average annual occupancy of 98 per cent.
The completed project in Sherwood Forest will offer a village of

Board and the Nottinghamshire

Finance snags end Wimpy's Indian venture

By Gordon Cramb WIMPY INTERNATIONAL

which last year gave India its first taste of Western fast food, has ended its venture there after several months spiced with recrimination between the UK

company and its local partner.
A 68-seat Wimpy Bar which opened in New Delhi in February 1985 was to have been the first of many ontlets for Wimpy products uniquely adapted to suit Indian requirements - burgers made with lamb or vegetable protein instead of the beef which is forbidden to Hindus. The problem, according to Mr

Ian Petrie, managing director, was not inside the bun "which seems to have gone down very well," but in the financial arrangements with the franchise nperator. These problems caused indigestion at Wimpy's London beadquarters last September and a succession of advisers sent out to Delhi returned unsuccessful,

Ladbroke to Teachers claim to have lost confidence in their minister

DELEGATES to the annual conference at the second biggest teachers' union took e vow to stay silent yesterday to indicate to Sir Keith Joseph, Education Secretary, that they believed he had lost the confidence of the profession.

In extraordinary scenes at the conference of the National Association of Schoolmasters/Union of Women Teachers, Sir Keith's first speech to a union since the yearlong teachers' pay dispute was re-ceived without any reaction. In a question and answer session which followed, a delegate who told

the minister that the profession no longer had any confidence in him was given a thunderous standing Sir Keith said afterwards: "I think that they had imposed a selfdenying ordinance on themselves in order to restrain some of their members who might have shouted

The hour-long confrontation at the conference at Scarborough, Yorkshire, vividly demonstrated the depth of the cootinuing unrest in schools. Earlier in the day, delegates had unanimously backed a resolution condemning the Education Secretary for failure to defend the state system and failure to re-



cognise the value of the teaching The minister had earlier again made it clear that the proposed General Certificate of Secondary Education, the new 16-plus sylla-bus, would begin in schools in Sep-tember. Both the NAS/UWT and come forward with more funds durthe National Union of Teachers, the biggest union, want introduction defor the talks.

ferred and are boycotting prepara

Sir Keith told the conference You now ask your members not to take part in the programme of preparation. This does not seem to me to be either fair or reasonable. It will not seem fair or reasonable to the pupils or to their parents. The GCSE will not be postponed.

On funding, he said provision of extra resources would depend on better use being made of existing funds because ministers were bound to feel concerned about the education which is provided for many of our pupils."

Significantly, though, Sir Keith did not follow his recent practice of making reference to £450m a year extra as the most the Government would provide, in return for agree ment on a new teacher contract in forthcoming negotiations.

Mr Fred Smithies, the union's general secretary, said the £450m was grossly inadequate. He gave a warning of a breakdown of negotiations and resumed strikes in schools if the Government did not

LV set for £2m promotion

BY TONY JACKSON

A MARKETING drive worth £2m is to be launched on that humble British institution, the luncheon voucher. In the process, say its new Freoch owners, the luncheon voucher's flagging fortunes will be transformed into 40 per cent sales

growth in the next three years.

The monopoly UK supplier,
Luncheon Vouchers, has been
owned for the past year by Accor,
the French botel group which
bought it for an undisclosed sum from a UK consortium of Grand Metropolitan, Trusthouse Forte. Allied Lyons and Associated British

Mr Olivier de Bosredon, managing director of Luncheon Vouchers, said: "We were keen to acquire the company because we could see it wasn't being exploited to its full potential. Its previous owners saw it as a granny business which they weren't Interested in developing."

der its old ownership was supported only by "a few Press ads and mailings," is to have a trained sales force combing the country for new clients, a national advertising campaign and a revamped design for the vouchers themselves.

Accor bas one advantage. It can. earner. set the UK market in an international context as the company is the world's biggest supplier of meal vouchers with operations in 10 countries from Sweden to Mexico.

In one respect the UK market is almost the worst in the world. Only 15p per day of luncheon vouchers be given tax free, a figure which has not changed from the three shillings allowed by statute in

As a result, a quarter of UK com-

Now, apparently, it will be different. Luncheon Vouchers, which une whereas the European average, ee whereas the European average. Accor says, is about £2.

> The £2m which Accor aims to spend in the next three years seems an expensive way of adding to present sales of just £51m, But as Mr de Bosredon makes clear, the meal voucher business is a nice little

> Accor charges customers around the world an average commission of 3.25 per cent and caterers a further 0.8 per cent. Best of all, it gets paid for its vouchers on the nail, and reimburses on average two months

> Mr de Bosredon is confident the UK market will go his way. "Companies have to give benefits to staff. You can't build a staff policy just with money rewards. We find that true of blue chip companies around

Mobile telephone price war widens

BY JASON CRISP

THE FIERCE price war for mobile is now under strong pressure from first year's subscription to Cellnet radio telephone equipment has spread to the cost of using the service. Cellnet, one of the two UK cel
many of its retailers to revise its are £463, 34 per cent higher than Vodalone's £350.

Yesterday's move by BT Mobile spread to the cost of using the service. Cellnet, one of the two UK cellular radio networks, is being forced to reconsider price rises ing our tariffs. There are wide imwhich only came into effect on Tuesday this week.

Yesterday, Cellnet's sister compa-ny British Telecom Mobile Phone Division and the largest retailer on its network, postponed indefinitely its plan to put up connection and subscription charges this month even though it means making a loss on that part of its revenue.

Its move follows an announce

ment by the rival network Racal Vodafone on Tuesday that it was ont putting up its connection and subscription charges. Cellnet, 60 per cent owned by British Telecom,

TOTAL FEES earned in the UK by The spate of acquisitions and member companies of the Manage-ment Consultants Association ment Consultants Association the impending Big Bang in the (MCA), which accounts for about 60 City of London are given in the asper cent of qualified consultants, sociation's annual report, published rose by a record 45 per cent last

Business probably increased by

plications for any change and we doo't want to react too suddenly." A decisioo is likely in about a week. However, call charges on both the Cellnet and Vodafone networks are still going up and new differential tariffs are being intro-

duced in London, where the telephones are mostly used comes into effect on June 1 introduces the first significant difference in tariffs between the two network since they were launched in January last year. At present the

recommended fixed charges for the

Motoroia, another leading retailer of Cellnet.
Mr Colin Tipping, head of retail at BT's Mobile Phone Division, said:

"As market leader we have had to respond to Racal's move. But it is kers and market makers. Until going to make it very hard for the small companies. None of us is making a decent margin at stock Exchange must keep the functions of both broking and marnones are mostly used making a decent margin at present." Although demand for cellular ra-

dio telephones has exceeded expectations, there is so much competition between the retailers that equipment prices have fallen improve on a pay offer worth be-sharply.

Onshore drilling rebuff for **Amoco**

AMOCO, the US oil company has heen refused permission to drill for oil and gas in a beauty spot near Hastings on the Channel coast. Dominic Lawson writes.

-It is the first time that the East County Council has refused a com-

pany permission to drill in a region which is viewed by the international oil industry as having great pot-ential for oil and gas discoveries.

Amoco said yesterday that it was disappointed at the decision and it reserved its right to appeal to get the decision overturned.
Conoco, another US oil company
with extensive interests in UK on-

shore oil and gas exploration, last year used an appeal to the Government to overturn a similar objec-tion to a well planned in Surrey, south west of London.

East Sussex county council said yesterday that the proposed drilling site, at Fairlight, was within the High Weald area of Outstanding Natural Beauty, close to Hastings Country Park and a residential

In the first UK onshore oil and gas licensing round last month, Amoco was awarded more tracts to explore than any other company, the company has suspended all its North Sea drilling as it reassesses its budget in the light of the oil price

Oil companies increasingly take the view, that with an oil price below \$15 a barrel, onshore exploration is the most attractive option. This seems likely to lead to more conflicts with planners wishing to protect the environment.

O POLICE in Northern Ireland have set up a committee to study the position of officers under the threat of violence and intimidation from Protestant extremists.

The move is designed to help to allay fears of policemen who have come under physical and verbal at tack, especially since the banning of a Loyalist parade on Easter Monday. Sir Eldon Griffiths, parlia-mentary adviser to the Police Federation, said officers in Ulster were being asked to police the Anglo-Irish agreement against the will of a large majority of the community. D MANY of the controls on noise at

tive and need to be substantially improved, the Consumers' Association says. Noise limits at the London airports of Heathrow. Gatwick and Stansted were set 25 years ago. The association says they were meant for an earlier and noisier genera-

tion of aircraft and do not encou-

UK airports are outdated, ineffec-

rage airlines to adopt quieter flight O HILL SAMUEL, the merchant making company in equities which will begin operations on April 28. It is an interim measure ahead of the ties in October when companies

ket making separate. O WORKERS in the electricity supply industry are to vote on industrial action after employers refused to

Consultancy fees rise

mergers, privatisation issues and

yesterday, as some of the reasons for the high growth. Within the UK, where fee income about 25 per cent, after allowing for association members jumped by average fee increases of 10 per cent and the use of more expensive specialist consultancy staff. The numger of finance and administration, and ber of consultants recruited last personal management and training, year for UK and overseas work by The value of public sector work was MCA members increased by 18 per about a third that of the private sec-

Pension value doubted

PFRSONAL pensions are unlikely to provide benefits as good as those under the state earnings-related pension scheme (Serps) except for younger employees, even with a 2 assurance company, unit trust per cent extra contribution incensions.

Schroder Financial Management, the personal financial arm of mer chant bankers Schroders, in its an-

This conclusion is made by To encourage employees to make alysis of the Government's pension period from April 1986, the change-proposals contained in the 1986 Social Security Bill.

One central theme of these pro-John Hunt reports on the Fulham by-election campaign

Alliance draws Labour fire

mentary by-election in Fulham, west London, has entered its final week with all the local opinion polls showing the Labour candidate

ahead.

The by-election, to be bald next
Thursday, is seen as an important
test of voters attitudes in the wake
of the Government's embarrassment over the Westland and BL affairs, and Labour's own embarrassment over its attempts to discipline ment over its attempts to discipline supporters within the party of the far-left faction Militant Tendency.

The election is caused by the death of the Conservative MP who beld the seat at the 1983 general election with a majority of 4,789. Labour stepped up its attacks on the Social Democrat-Liberal Alli-

ance yesterday but this intense ac-tivity was seen by the Social Democrats as a sure sign that Labour is nervous about the threat posed by the Alliance in the closing stages of At the daily press conference, Mr

Nick Raynsford, the Labour candi-

ployees, virtually ignored the To-ries and concentrated his fire on the Alliance.
An elaborate "indictment" was distributed, drawn up in correct legal form, complete with pink rib-bon, and beaded The People vs the

It contained a list of alleged cuts of 9.7 per cent in local social services between 1982 and 1986 and blamed these on the Hammersmith and Fulham Council, where the Tories are kept in power by the sup-port of three Liberals.

The document accused the Alliance of "wilful disregard for the well being of the people of Fulham, and "criminal negligence in avoid

the young and the aged."

Mr Raynsford said he was willing to serve "this indictment" on an Alliance supporter if he could find There were also indications of La-

ing responsibility for the needs of

date, backed up by Mr Rodney
Bickerstaffe, general secretary of
the National Union of Public Emporters. Mr Raynsford sent a letter
supporting the Alliance cap
to clearly talking them that SDP
Rooms Liddle capit to get the SDP
Rooms Liddle capit to electors telling them that SDP from their windows. They will attempt to portray themselves as the only party that can defeat the Tories and will prob-

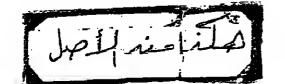
> he warned. Mr Bickerstaffe concentrated on possible hospital closures in the area, and the number of hospital ancillary staff who had lost their jobs. He said that "caring capitals."

supporting the Alliance candidate Roger Liddle, said it was still a workers would try to persuade three-horse race, He conceded that them to remove Labour posters at the moment the Labour horse was out in front, but thought his party had a very good chance of beating the Conservatives. But, he said, it the SDP could make the Conservatives realise that they could not win and that they must cast their vote to prevent a Labour ably try to convince you that the Labour Party has been taken over by extremists or some such nonsense." victory, "then the sky's the limit for

There was some typical by elec tion knockabout over the failure of Mr Matthew Carrington, the Conjobs. He said that "caring capitalism" really meant "if you have got capital, we will care for you."

All the opinion pulls carried out locally have put Labour ahead and Mr Raynsford declared yesterday:

"We have a substantial lead. The carried out catching us up. The capital substantial lead to the capital substantial lead. The capital substantial lead to the capital substantial lead to the capital substantial lead. The capital substantial lead to the capital substantial lead to the capital substantial lead to the capital substantial subst others are not catching us up. The tive Party chairman. He alleged that the Church meeting had been cant number of them are coming organised in such a way as to ex-



For the Highlander, distilling whisky was as natural as breathing air.

Generation after generation inherited a

passion for turning the water of the glens into the 'water of life'.

Whisky wasn't just his traditional national drink. It was his bread and butter. Distilling was virtually the only way he could turn his victuals into cash to pay rents, reward his workers and to feed and shelter his family.

But by the middle of the 18th century, the government made this well nigh impossible.

Thirsting far revenue, it imposed prahibitive taxes an whisky making.

While some Highlanders were brought to their knees and paid up, many others took their stills and skills, and fled to the remote mountain areas to produce their beloved whisky illicitly.

The Highlanders see red.

Almost immediately, excisemen, or gaugers, were despatched North, to stamp out the practice and apprehend the offenders.

This angered the Highlanders.
To them it was the government and its red-coated lackeys who were the criminals, taking the very bread from their mouths.

Robert Burns (who, ironically, became an exciseman later) expressed the nation's sentiments in venomous verse: "Thae curst harse-leeches o' th' Excise, Wha make the whisky stells their prize! Haud up thy han', Deil! ance, twice, thrice! There, seize the blinkers! An' bake them up in bronstane pies far poor

damn'd drinkers."

Such was the Highlanders

contempt for the law that it was not even considered a disgrace to go to prison for illicit distilling.

Indeed, in Dingwall Gaol convicted distillers were treated with privilege, being allowed out on Sundays and special occasions.

One prisoner even approached the governor, with the remarkable proposition that they set up a still together in the gaol.

Such widespread defiance made curbing the outlaw whisky makers a hopeless task.

As one illicit still was closed down, another began. And in 1747, one particular still began, which was to become the most famous distillery of them all. THE GLENLIVET Distillery.

 $C_{\mathcal{F}}$

3

The Name Dropper.
The founder of THE GLENLIVET

THE GLENLIVET — MUCH SOUGHT AFTER

nuch conviction

vas distilled

Distillery was ane Jahn Gow, alias Smith.

He was a veteran of Culloden, having fought and lost on the side af the ill-fated Bonnie Prince Charlie, and was farced to flee his old haunts near Braemar for fear of his life.

He took his family North, hid in a remote valley and dropped his gaelic name Gow in favaur af Smith, to baffle the English saldiers.

(Which explains why such a Sassenach name appears on our label.)

There he settled down for a quiet, ananymaus life af farming and of course, illicit distilling.

The Well of Fortune.

As luck would have it, John
Smith had made his new home in
the precise spot where the water and
the peat were the best in Scotland for
making malt whisky.

He had discovered Josie's Well. It is the pure Highland water that springs from Josie's Well that makes THE GLENLIVET so special.

We can't explain it. It just does.

And there is no other well that performs the same magic. THE GLENLIVET made with any other water wauld not be THE GLENLIVET.

By the time John Smith's grandson George, inherited the still in 1817, the fame of the illicit GLENLIVET had spread far and wide.

"It is worth all the wines of France" opined the Doctor in Sir Walter Scott's St. Ronan's Well, "and more cordial besides."

Praise indeed for THE
GLENLIVET's "cunning chemists,"
as Scott called George Smith
and his workers.

Christopher North, who in 1827, wrote a famous series of sketches in Blackwood's Magazine, quoted James
Hogg, the Ettrick Shepherd:

"Gie me the real Glenlivet, and I weel believe I could mak' drinking toddy oot a'sea-water. The human mind never tires a'Glenlivet, any mair than a'caller air. If a body could just find oot the exac' proportion and quantity that aught to be drunk every day and keep to that, I verily traw that he might leeve far ever, withaut dying at a', and that doctors and kirkyards wauld go oot a'fashion."

Going straight. Such a celebrated whisky couldn't remain illegal far long.

(Although autlawed, THE GLENLIVET was the toast afgentlemen,



lords and even kings. George IV of England was said to drink "nothing else.")

It was the Duke of Richmond and Gordon (George Smith's landlord) wha eventually put THE GLENLIVET on the straight and narrow.

He persuaded Parliament to pass the Act of 1823 which made legal distilling warthwhile.

The following year George Smith took aut the very first licence. Making THE GLENLIVET Scotland's first malt whisky.

secretly far 77 years. Nawit existed. Officially.
The rest is history.
THE GLENLIVET's unique subtle taste and distinctive 'nose' has been appreciated ever since.

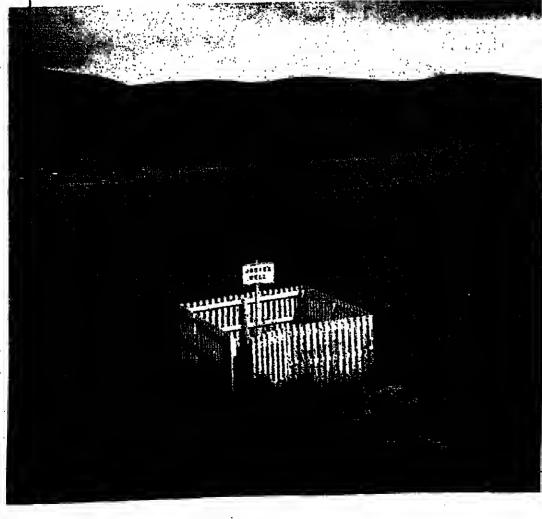
People had been enjoying it

Try a dram and experience its magical praperties yourself.

These days, you can't go to gaol for what you're



Scotland's first malt whisky.



DOWN IN Surabaya, the bustling port that is Indonesia's second biggest city, Chinese traders sit in their invariably scruffy-looking emporiums. An eiderly man in navy shorts, vest and sandals looks on indifferently from behind a dusty desk. Ask to speak to the owner and he will point to another nearby desk and empty chair. "The owner is out . . . but csn I belp?" Such tactics form part of the camouflage of Chinese business practice in Indonesia: the man is in fact the unlikelylooking boss of what is probably a considerable business empire.

There are 165m people in Indonesia. Only 3m to 4m of them are Chinese. But as in many other countries in the region the Chinese tend to dominate most fields of ecocomic activity. It's often alleged that 70 per cent of Indonesia's economy is Chinese controlled. Almost all businesses are familyrun though many employ native Indonesians as frontmen or are in league with prominent political or military figures.

However, the family structure which has many benefits for smaller businesses can, as companies grow larger, lead to management crisis when the father, the grand patron, dies. This is because, under the Chinese system, all resources are split between sons. This tradition is often cited as the reason why Chinese companies
—in contrast to their Japsnese counterparts—tend to bave only a limited life span, rarely surviving for more than two cenerations.

In Indonesia, where tradi-tionally Chinese beliefs of filial and family respect are perhaps more entrenched than elsewhere in the region, the death of the fatber therefore often usbers in a period of ecute business uncertainty. Gndang Garam is Indonesia's leading kretek or Indonesia's leading kretek or the growing potential of the clove cigarette moker. It is also kretek export trade. Meanwhile the second biggest employer: no clear decisions seem to have more than 40,000 girls earning ben made on who will run the about \$1 per day work at Gudang Garam's factories in Rediri, East Java, rolling most of the cigarettes by band. No profit or turnover figures are ever disclosed but it is estimated tbat annual sales come to well

daily checks on tohacco quality the other, and worker performance. Few By con people outside the Immediate family circle were allowed any

Private businesses

Chinese strain to keep family control

Kieran Cooke on the problems of a powerful Indonesian minority



"Old Chinese proverb say: "Better the shop is divided amo over by Habitat" ng sons on death of Patriarch than be taken

Garam, for all its size and power, is now losing its domination of the domestic market and has failed to take advantage of ben made on who will run the company in future.

According to Paul Hsu, a Taiwanese management expert tions—a considerable number who has made a special study can no longer speak any wbo bas made a special study of Chinese business methods in the soutbeast Asie region, the splitting of property end econoover \$15n.

Up to his death last year the company patriarch and founder, in effect, that the bousehold right in the in all Gudang Garam's a number of units or Fangs, each autonomous of the other.

By contrast, in Japanese society, the eldest son usually inherits all property, thus pre-

of medical treatment. As a of en ox," meaning that it is result crucial decisions on diversification and the introduction of new cigarette brands were not made. Business analysts in Jakarta say Gudang for all its size and for all its size a In Indonesia sucb feelings are reinforced by the political

position of the Chinese. In Dutch colonial times the Chinese were often used as administrators and became a group increesingly separated from the rest of society. Though many Chinese bave been in Indonesia for several ganera-Chinese-they remain in many ways e race spart, resented for their economic power and mistrusted politically. Any display of Chinese script is forbidden; there are no Chinese schools and most

Chinese have to carry special identity cards. There are also restrictions on Chinese entry into state universities, government jobs and on the provision of cheap credits, As a result the

tycoon, Liem Sioe Llong, is often cited as an example of a dynamic, modern company. Through his First Pacific group in Hong Kong Liem controls an international business empire with total boldings estimated st between \$6bn and \$9hn. In the last few years the group has taken over the Dutch Hagemeyer treding company, numerous financial institutions company. round southeast Asia and the California-based Hibernia Banksbares bank, Liem's group is elso increasingly involved in both trading and major industrial projects in China; through his Liberian registered Chins Pacific company Liem has a 30 per cent stake in a refinery project in Fujian province.

international success can be attributed to copying Japanese style management practices and skills; notable gains have been achieved by combining trading and credit skills in a similar way to Japan's integrated trad-ing groups. But Liem concerns family circle were allowed aby inherits all property, thus premanagement responsibility. A serving the overall integrity of cheap credits, As a result the household or business. Chinese community has been take over the business, was killed in a helicopter crash.

Company personnel say Tjoe refused to delegate even when he was forced to go to New Zealand for an extended period in property, thus prement jobs and on the provision of cheap credits, As a result the concerns in Indonesia—on which overall thrown back on its own, family oriented resources where insultant in the property in the provision of cheap credits, As a result the concerns in Indonesia—on which overall property in group performance is critically has been reinforced and the provision of cheap credits, As a result the sources where in Indonesia—on which overall property in group performance is critically has been reinforced and the provision of cheap credits, As a result the chousehold or business community has been in Indonesia—on which overall property in group performance is critically has been reinforced and summed up in the Chinese say.

The sprawling husiness employed in group performance is critically has been reinforced and summed up in the Chinese say.

The sprawling husiness employed in group performance is critically has been reinforced and summed up in the Chinese community has been in Indonesia—on which overall group performance is critically has been reinforced and summed up in the Chinese sources where insufficient in the provision of cheap credits, As a result the chousehold or business community has been in Indonesia—on which overall group performance is critically has been reinforced and summed up in the Chinese community has been in Indonesia—on which overall group performance is critically has defined in a property in the chinese community has been in Indonesia—on which overall group performance in Indonesia—on which overall interest in Indonesia—on which overall interest in the property in the chinese community has been ins

Much of the Liem group's

exactly how many businesses are involved but well over 40 companies are directly con companies are directly con-trolled by Liem and bis two brothers in enterprises ranging from cement and steel, textiles and flour to bulk carriers, noodle making, and real estate. Only Bank Central Asia — Liem-controlled and the largest private bank in Indonesia—and associated insurance and finance

associated insurance and finance companies issue annual public accounts. Liem himself spends much of the time either in Singapore or Hong Kong. Group spokesmen are notoriously elusive. In part this is due to Liem's close and acutely sensi-tive relationship with those in power in Indonesia. President Suharto himself is a business associate. A daughter of the President is a major share-bolder in Bank Central Asis, while the President's brother is a partner in several enterprises.
But increasingly questions are
being asked about the overall
performance of the group,
especially at a time when Indonesia is going through its worst mic downturn in nearly 20 years.

Overly centralised control and an unwillingness to separate ownership from management have resulted in some bad deci-sion making. The Indocement company is the largest cemant producer in southeast Asia and the foundation of the Liem empire. But over-expansion has meant thet around 60 per cent of the company's 9m tons a year capacity is not being used. Only 18 months ago Liem announced plans for Indocement to go

This has not bappened: in-stead, in a move bitterly criticised by many, the Government bought s 35 per cent stake in the company for more than \$320m last year. The government said the purchase was in order to "safeguard supplies of a strategic commodity." Others saw it as a bail-out of what has become one of Indonesia's largest private companies. Business enalysts feel that a major part of the problem bas been the Liem group's unwillingness to adjust to growth and bring in outside managers. Llem and his brothers seem intent on giving more control of the group com-panies to their sons. A glance at the names on the boards of almost any conglomerate in Indonesia reveals a similar

story, Liem's younger son, Anthony, is increasingly being seen as his father's successor. The question is whether the 36-year-old Anthony, trained in husiness management in England, will turn the Liem group into s truly modern business or whether he will choose to keep it firmly family. Antrolled. For the time being 14 least, it seems the old secretive family ways prevail. Japanese executives

Elite shun lifetime loyalties

Nobuko Hara reports on changes in working practices at the top

LAST YEAR, Japan's three top trading firms, Mitsubishi, Mitsui trading firms, Mitsubishi, Mitsui and C. Itob, lost their best crude oil traders to foreign competitors. And in January this year, another major trading bouse, Marubeni, suffered e similar blow. Mitsubishi's Tsutoshi Kitabara, 37, moved to the Austrian steel company, Voest Alpine, while C. Itoh's Hisashi Nasu, 42, switched to Elf oil, and Marubeni's 40-year-old Takashi Matu switched to Eir on, and mara-beni's 40-year-old Takashi Mat-sumura to en American trading house, Marc Rich. The most adventurous of all, Mitsui's Eiji Wakiwaka, 36, went to London to become BP's senior

crude oil trader. This exodus, while reflecting a growing demand for Japanese trsders, bas a far greater social implication: Japan's traditional practice of lifetime employment is fast being eroded.

The branking down of lifetime

The breaking down of lifetime company loyalty has been visible for some time. There has been a steady increase in job-switching in the past few years, particularly among the young and the less educated. It began to gain social respectability partly through positive medie coverage. But elite establishments, like Mitsubishi and Mitsui, still seemed immune from the trend—until the departure of these four men.

of these four men.

It is still every Japanese boy's dream to get into a prestige university, which provides an entry to a large corporation. Employees are not willing to give up the hard-fought-for security and prestige easily, particularly because once out particularly because, once out of the company, there is no way back into it. Most large establishments still rigidly adhere to the policy of hiring only "clean elates" straight ont of college.

slates" straight ont of college.
Undoubtedly, the sudden de-parture of these experienced traders in their prime sent a few shockwaves through the four trading firms. "The com-pany made him what be is bishi employee.
"It is absolutely fatal to have

a fight wheo leaving a com-pany," emphasises Wakiwaka. Indeed, all four left their com-panies amicably. "A friendly takeover, you might say," says a BP executive, referring to Wakiwaka's transfer, But apart

The departure of these oil-traders highlights the inflexi-bility of the seniority-based pro-motion and pay structure — the seemingly egalitarian system which induced company co-hesion and loyalty so vital for Japan's rapid post war economic growth. growth.

"It is ridiculous that two-

people doing completely different jobs should be paid the same," said a Mitsubishi employee. Oil trading is a highly specialised job requiring a razor sharp mind and the ability to make quick judgments under pressure. The work is similar to that of foreign archange pressure. The work is similar to that of foreign exchange dealers—making international transactions worth millions of dollars on the phone. Naturally their salaries are high in the West—\$100,000 minimum for the traders one Tananese.

top traders, one Japanese businessman points ont. Yet, Kitahara's basic pay was more or less the same as other 37-year-olds at Mitsubishi (perbeps \$50-60,0000 a year) only a fraction of the profit he was making

Promotion

The same, of course, was true of the other three, Kitahara's bi-annual bonus might bave been higher than his colleagues, and he might bave got his promo-tion faster, but the difference would have heen marginal, ex-plained the Mitsubishi insider. In fact, the Mitsubishi

employee stresses that the traditionel personnel system be late for work, never take days off, but don't work bard either. Don't make mistakes. That's the key to survival in Japanese organisations."
Greater responsibility and

freedom offered by Western made him what be is firms are anormously attractive says one senior Mitsu- to able and ambitious men frustrated in a conservative environment. "I couldn't let him do what he wanted to do," says Kitahara's former superior at Mitsubishi, Wakiwaka's former colleague echoed the same view: Wakiwaka's transfer. But apart Oll traders work almost from Wakiwaka, who is safely on their own building out of anybody's reach in London, the others are reluctant to talk about their job-switch. Twe been asked by the personnel department (of C. Hob). There were too many people

"In the domestic market, no foreign competitor can beat us," beasts an oil trader work-ing for e Japanese trading ing for e Japanese trading house. Western companies need the help of Japanese traders with good contacts in order to do well in the market in Japan. This is why they are always on the lookout for good Japanese traders. Wakiwaka too, be reckons, will eventually be sent back to Jepan where be will be most valuable to BP. will be most valuable to BP. It is too early to say bow

far and how fast this trend will spread among trading houses and oil companies in Japan, or indeed whether the same trend will spread to other industries. In the financial sector, a transin the financial sector, a trans-fer market on a bigger scale is already evident. Foreign securi-ties houses opening new offices or expanding existing ones in the liberated Tokyo market have been aggressively bead-hunting Japanese bond-dealers and stockbrokers. But securities bouses do not carry the prestige of trading houses, so this sector should be considered in isola-

. Wakiwaka and the others are hardly stereotypical Japanese businessmen. They bave all been exposed to Western cul-ture and speak fluent English. Kitahara, a diplomat's son, was mostly brought up in Europe, while Marubenl's Matsumura dampens creativity. He recalls a has lived in London. C. Itob's a well-known dictum: "Never Nasu spent four years in Italy and Singapore, and Wakiwaka resigned only a few years after his return from the United States where he attained an MBA from Harvard.

However attractive the conditions offered by Western firms, there will be many who will hesitate to break off from the Japanese corporations they grew up in. "Leaving a Japan-ese firm is tentamount to leaving Japanese society," Waki-waka says, There will be financial constraints too, such as immediate settlement of lowdon, the others are reluctant to talk about their job-switch. "I've tion carries more weight in the dealers been asked by the personnel department (of C. Itoh) not to meet the press," says Nasu, who is now with Elf.

an individual trader's reputation to be well-off to take such a drastic step," says one trader. "Besides," he adds, "there is no security. If you don't do well, you can easily get the plains. So these men could take sack."





MONDAY APRIL 21st 1986

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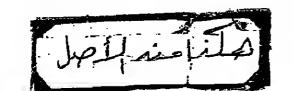
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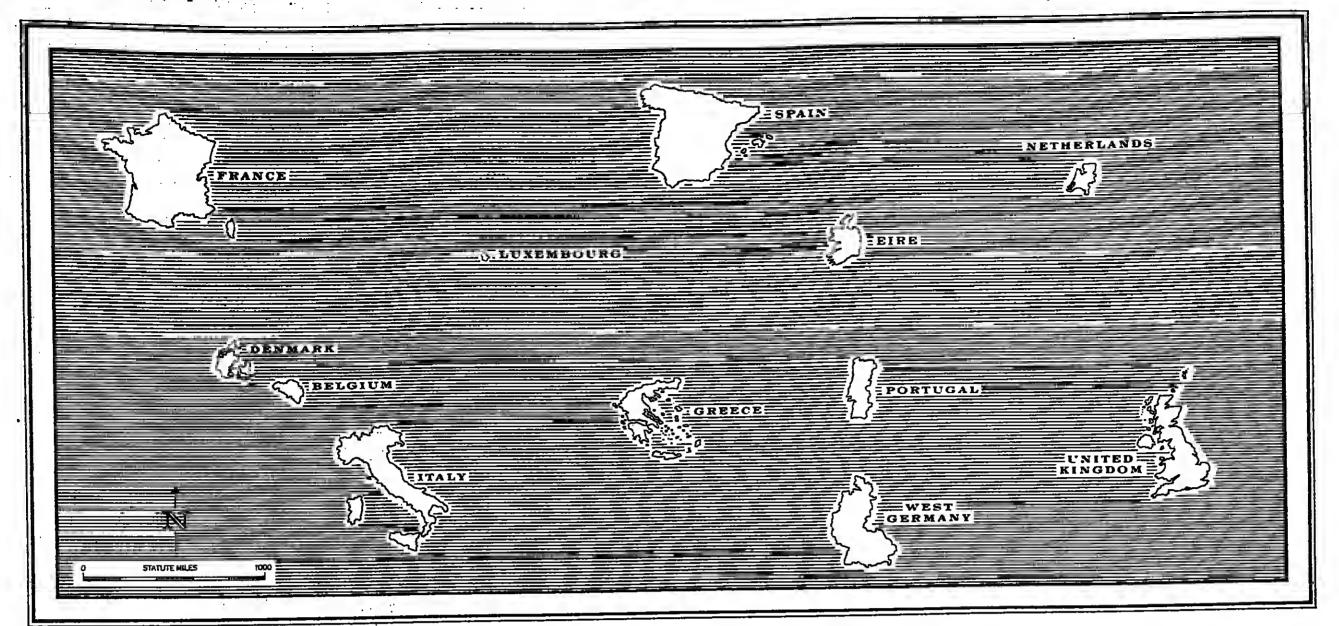
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FINANCIALTIMES LONDON - FRANKFURT - NEW YORK









Europe doesn't exist.

Europe' has been a convenient geographical expression for centuries. But even the creation of the Common Market has simply underlined the fact that its member nations are, in practice, miles apart. Contrasts in currency, tax regulation, company law and accounting procedure — not to mention language and culture — are gulfs not easily bridged by businessmen. KMG, the strongest international accountancy firm in Europe with 490 offices worldwide, is particularly well placed to help you break down the barriers.

Has the European Economic Community (EEC) really done anything to create a coherent business climate across its member nations' borders?

In many respects, the answer is yes.

The VAT laws, for example, have been brought into line – but even they vary in detail from country to country.

Overall there are still many more differences than similarities — and in some cases, EEC directives don't replace the old national laws but exist alongside them, and fail to achieve the harmony that was intended.

In fact the complications are such that you don't have to be American or Japanese to be confused by them.

The Europeans themselves have more than enough trouble understanding each other's way of doing things.

Then there are the countries outside the Community – Sweden for example – who have their own system of laws and operating practices which are different again.

KMG, accountants and consultants with 490 offices in 71 countries, is by far the strongest firm of its kind in Europe.

We're structured so that each member firm can operate in the way that suits its own clients best. (Rather than dancing to a tune composed several thousands of miles away.)

Thus, the one Engagement Partner you deal with can provide both the global expertise and control of a large international organisation, and the local knowledge you expect from a strong local accountant.

We have unmatched experience and expertise in guiding our clients through

it does across the boundaries between states back home.

The reality of course is different.

In the UK our client is the wholesaler while the members of its sales force are self-employed traders.

But in Italy the company is classed as the retailer, while its sales agents are

The most cost-efficient structure depends not only on the nation in which you're doing business, but also on the country in which your firm is based.

So an operating framework suitable for one company isn't necessarily right for another. And the variables don't end there. Are your company's profits likely to be made 'upstream' or 'downstream'?

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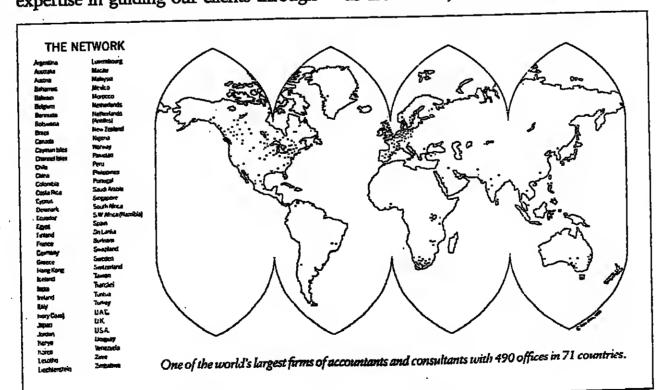
All these decisions must be taken well in advance, often as long as three years before you open for business, if they're to have the desired effect.

That's why you should talk to KMG sooner rather than later.

Anyone can hope for a more united Europe; but to deal with it as it is today you need all the help you can get.

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INTERNATIONAL ACCOUNTANTS AND CONSULTANTS



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For example, one of our clients is a fast-expanding pharmaceutical company based outside Europe.

In an ideal Europe this firm would be able to standardise its way of working, irrespective of national frontiers – just as each paid an introduction fee.

Why? Because if the UK system was used under Italian laws, the VAT and income tax implications would leave both our client and its sales force worse off.

In France the regulations are different again, so we helped our client devise yet another *modus* operandi.

TECHNOLOGY

IS A new age of telecommunications about to be born?

A lot of people think

ao. They are the enthusiasts

bebind a sweeping technological change moving into the cal change moving into the world's telephone system. It promises speedy, top-quality transmission not only of conventional telephone calls but of all manner of non-voice communication: computer data, telex, images, even video all on a single telephone line. It promises lower operating costs promises lower operating costs for telecommunications carriers, valuable services for users, and new markets for equipment makers.

If this all sounds very rosy, it also seems to a number of on-lookers, potentially, like one of the biggest fiascos yet in the teaming up of computer and communications technologies. There is every chance that the concerned partiesthat the concerned parties—including carriers, users, and suppliers—will fail to agree among themselves on the development of compatible systems. The international telecommunications standards-setting body, the International Telegraph and Telephone Consultative Council or CCITT.

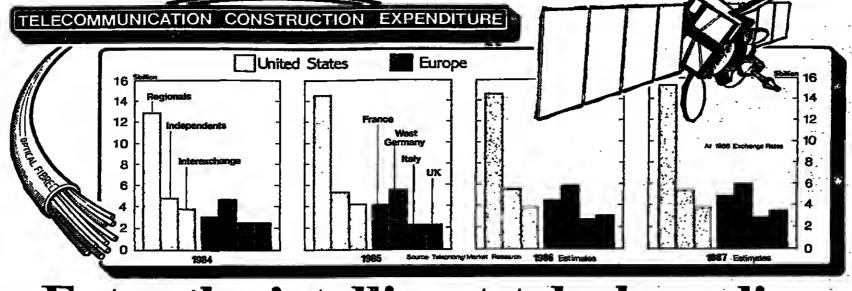
concept carries the somewhat cumbersome name of the integrated services digital network, or ISDN.

Its task is not easy. The stakes are bigb and nobody wants to sacrifice his piece of

At the heart of the change are the 1s and 0s that are the digital language of the computer. Communications, whether voice or data, will travel in digital form, instead of the conventional analog form upoo which the world's telephone systems bave been

The implications are enormous. The 1s and 0s can be manipulated in all sorts of ways not possible on analog is worsening as more of the systems. Digital information world telephone network goes can be carried faster and with

only the beginning.



Enter the intelligent telephone line is trying to prevent this worrying, electronic mail, or automatic format conversion to set standards for a worldwide network. Because the network would be digital, integrated (carrying both voice and data on a single line) and offer services made possible by its intelligence, the services such as encryption, electronic mail, believe total conversion to digital conversion to digital is largely a matter of time. Without standards, how-believe total conversion to digital is largely a matter of time. Without standards, how-believe total conversion to digital is largely a matter of time Without standards, how-believe total conversion to digital is largely a matter of time Without standards, how-believe total conversion to digital is largely a matter of time Without standards, how-believe total conversion to the Workshaden. "There are big ones, small ones, blue ones and Critics are also worried that the Office are without standards, how-believe total conversion to the Without standards, how-believe total conversion to the Without standards, how-believe total conversion to the Without standards, how-believe total conversion to Weisbaden. "There are big ones, small ones, small ones, blue ones and Critics are also worried that the Critics are also worried that the Critics are also worried that the Critics are als

lists of sources. Applications, providing capacity (called bandwidth) is adequate, are limited only by the imagination.

This very wealth of possibilies is also the source of complications that could stall the arrival of the new order enthusiasts envisage. Whoever controls the intelligence cootrols the lucra-"valued-added" services which are set to account for a growing sbare of network revenues in the future. So the issue of where intelligence is located within the network is critical. It can be at various points, such as in ceotral pubthe computer industry got itself into with numerous non-communicating designs.

CCITT bas already set including eventually cable tele-cation. lic exchanges, in private-branch exchanges (PABXs) on a company's own premises, or to various terminal equipment on band to the user. CCITT has already set important ISDN transmission rate standards that are being

This struggle for domination digital. The shift is driven by less degradation. But that is economics: digital transmission nly the beginning.

The union of computers and need fewer people to operate communications means that and mantain them and cost less

myone and oblivious to such price.

taken up by carriers and manu-facturers. But much is un-

resolved, and further progress

standards to govern what it sees as the evolution of a worldwide digital telephone network. It forsees one grand global highway available to anyone and oblivious to such price.

Jane Rippeteau on computerisation of

the world's communications network—what it

means for users and suppliers

vision. User groups want such functions out of the grip of the monopolies and open to competi-

will require a balancing act of companies considerable skili.

The protago oists are a mixed bag of business users, equipaged business business business users, equipaged business business business users, equipaged business busin

offered to whom and at what tion from Mercury have price. barriers as national boundaries West Germany's Deutsche have to offer the customer or incompatible equipment, Buodespost (Post Office) bas more, that you have to think thus avoiding the very problem aggressive plans for introducing about what they want instead

British Telecom is presently running a pilot ISDN service,

with about a dozen business

tion, so as to ensure provision customers. Separately, it of the best services, maximum offers high-speed lines on a

Illinois Bell is somewhat further along with its ISDN programme. This year it will initiate a six-month ISDN trial with McDonald's Corp, the American bamburger restan-rants company. In its head-

quarters, McDonald's has a mix-of computer equipment, run-ning from IBM, Tandem and AT&T machines, to computer-aided design terminals and Waogs used for word processing, according to Mr Ron Czaplewski, Illinois Bell marketing manager. "The ISDN trial will elimin-

ate this incompatibility where needed " among three different buildings, he says. After the trial, Illinois Bell expects to ex-tend the service to "our major metropolitan business locations," he adds. In deregulated environments,

the operating companies are trying to develop attractive ISDN capability on the public telephone system before it is too late. More and more of their best customers — big, rich companies with huge telecommunications appetites - are getting fed up with waiting for this capability which holds so many important business advantages. Big companies already have

cannot easily communicate with desired speed or volume. The companies want to be able to transfer major documents, hold video conferences, talk and view data simultaneously at two

distant locations.

ISDN would make it possible, for instance, for a sales manager at headquarters to telephone a regional manager while at the same time calling up a sales graph on his desktop terminal and sending it to the regional office. The two could see and discuss the graph at once.

In the most extravagant example, General Motors went so far as to buy the Dallas-

based computer services com-pany Electronic Data Systems, partly to build such network capability. Many companies are attacking the problem on a lesser scale. In December, British Petroleum set up a new internal service it calls GROUP-NET to link its London headquarters with Aberdeen and 11 other UK sites. Anyhody who is connected can transmit voice, data text and even images to

any other connected location.

Participants in a third market sector are also jumping the gun into ISDN before universal standards exist. These are the equipment manufacturers. Operating companies buy bil-lions of dollars worth of equipment every year; in the US the Bell companies alone spend soma \$14bn annually, according to telecommunications analyst Mr Jack B. Grubman, at Paine Webber Inc in New York.

The emphasis today is not only on digital equipment, but digital equipment that either has or can be npgraded to bandle ISDN, says Mr Ronald Weinbruch, a vice president for sales at Siemens' Public Switching Divisioo in Boca Raton, Florida. "In the US, the need for ISDN is no longer debated," he says. "It is now the critical thing in selling switches." The American Telephone &

Telegraph Corp and Northern Telecom dominate the US market for central office switches, hut Siemens has recently scored big with an order from Wisconsin Bell for its advanced digital switches, with ISDN capability. Four Bell bolding companies have given Siemens approval to bid on contracts with the device. The extremely competitive US market recently claimed one

victim — IIT dropped ont.

A separate lucrative equipment market is taking shape at the user end. This is in the form of "smart" telephones and other desktop terminals that will function as each user's access point to ISDN. The CCITT, though, has not yet

Dule Electric of Great Britain Ltd, Electricity Buildings, Filey, Yorkshire YO14 9PJ.

ploy to create their own de facto standards. "They are trying to preempt what the standard will be," notes Mr Ross

el: 8723 514341 Telev 5714

of A. D. Little.

Although each supplier is keen to differentiate its equipment, they are falling into line behind the CCTT's transmis-sion standard. This calls for basic service consisting of three moving at 64,000 bits per second and one running at 16,000 bits per second to carry signaling information such as the destination the destination of data on the faster channels.

An advantage of these speeds is that they can be handled by most existing telephone lines,



including old copper local loops built for analog transmission. Some users will not need even that much capacity, but others—particularly businesses—want more. A second level of service, called primary, lifts capacity to 23 voice and data channels, and one signalling channel, all at 64,000 hits per second

Even that is less than some business needs now command. Tha BP GROUPNET line runs at 2m hits per secood. And that gives the company a view into the cradie of the secood tele-communications coming: the luxury of its own private video conferencing studio.



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Fly through it soon and see if you agree.





The battle for Wimbledon town centre

YESTERDAY week, March 27, sent local residents and has the London Borough of Merton expressed its concern about the gave planning permission to two Speybawk schemes to develop the Wimhledon town hall site on Queens Road in the town

One reteins the 1930s town hall huilding, the other does not Both retain a Victorien fire station recently listed by the Environment Department. The schemes will provide either 320,000, or 350,000 sq ft of shopping and Speybawk will pay Merton either £12.75m or £19.9m for the privilege of huilding for the privilege of huilding

Will provide? Not if Geoffrey Wilson, chairman and chief executive of the Greycoet Group, can prevent it. Greycoat founded its fame on such office developments as Cutiers Gardens, Finshury Avenue and Victoria Plaza, hut it extended its retail property and develop-ment interests last summer with the acquisition of Merevale Properties.

Rod Pearson Merevale's started pitching for Wimbledon's prime retailing in the summer of 1984 via a site on Hartfield Road, also in the lown centre. Its latest planning application, lodged jointly with major landowner the UK Provident Institution, visualised 200,000 sq ft of shopping although this would partly replace existing retailing units. This latter

expressed its concern about the loss of huildings such es a civic hall, a Baptist Church and a magistrates court on the town hall site.

However it has clearly not suited Merton council. Leader of the council Harry Cowd is quoted in support of the Speybawk scheme, saying that a "vast majority" of the borough has indicated that it wants this solution for the central area. And that ought to be that. The council elections come along next month end, in the normal way of things, the new council would choose one of the Speyhawk schemes selected eight days ago, and proceed with it. But Mr Wilson is not beaten. However it has clearly not

Conservation

"Cleerly Merton Council, in its present form, is wedded to the Speyhawk scheme," he seid yesterdey. "Therefore it seems to me that if Greycoat's very different planning approach, which is comprehensive and

latter scheme found will cover the plans for Hartwith the Wimhledon field Road, produce a conservatentre Co-ordinating tion-hased plan for the town hall
which claims to represent the plant of the town hall site and put some ideas forward

The hroadsheet will counter similer missive to residents

from Speyhawk, which asked supporters to write to Spey-bewk chairman Trevor Oshorne, Wilson asks his eudlence to write to Mr Kenneth Beker, En-

write to Mr Kenneth Beker, Environment Secretary, and call for that public inquiry.

All this fuss and flurry will probably draw a wry grin from Micheel Harris, deputy senior parmer of Strutt & Parker. Mr Harris, known for his orchestration of Hammersmith's central office development over the years is on ratal ground here.

office development over the years, is on retail ground here as adviser both to Merton Council and to Speyhawk.

He recalls that, in 1965 ("when I was an assistant") British Rail put together a consortium of top property operators to redevelop its stations. "They picked on Wimbledon, among others; this was the third scheme the council bad seen by scheme the council bad seen hy then," he says.

which is comprehensive and conservetion minded, is to be properly aired, it is only a call in of all the schemes by the Secretary of Stete and its attendent locel enquiry thet will achieve this; end I hope that this is what heppens."

His thinking is not just wisbful. Greycoet, next week, will be putting out a hroedsheet for Wimhledon consumption which will cover the plans for Hart-is, the council and he says, "the large, silent majority of the people of Wimhledon," would dearly like to see some action.

S&P owes its main allegimate to Merton, heving been "Wimhledon is a super place,"

S&P owes its main allegi-ance to Merton, heving been appointed by the council three years ago on a brief which directed it, first, to edvise on

secondly, to go ahead and There are four main sites in

the central area: The Wimhledon Bridge site;
 The town ball aite; Hartfield Road; and, potentielly,

• Wimbledon railway station,

still waiting for treatment.
The Wimbledon hridge site, on St George's Road, takes in one completed development, and one in the planning stages.
"Laings worked for 20 years on the St George's Road site, finally dropped out and sold it to Commercial Union who developed it as 120,000 sq ft of offices, eight storeys with a strip of shops at ground level," says

Harris. "However, we decided that the town needs hig new retail traders; It hasn't got any hig names apart from Woolworth, and Elys the family department store: peonle had to go to Wandsworth, Putney or King-ston for that aort of sbopping,"

Bridge site

S & P persuaded Marks and Spencer to take 70,000 sq ft, two years ago, on the Wimhledon Bridge site which it saw as phase I of the town's regeneration. Speyhawk came in as developers of 90,000 sq ft of retailing on the site and another 150,000 sq ft of offices, against competition from other major competition from other major developers.

Then the Greater London Council objected to the scheme. After it had been delayed for 11 years, says Harris, M and S changed its mind about the main thrust of its future expansion and out of town sites with plenty of ground level parking were now in the limelight. M and S came out, and the shopping content was redesigned to 45,000 sq ft for occupiers in the class of W. H. Smith Boots or Hahitat/Mothercare. Then the Greater London

the council, they say, took of town operator, has been look-the view that by fixing on one ing at the Mars 1 site since the developer, thay would get early 1960s.

It is only recently, the coun-grit or commitment into the regeneration process.

It is only recently, that the money has become available

Watford strikes back

out-of-town development. Wat-ford Borough Council is joining with the Sun Alliance Insurance group and Capital & Counties stoput a £100m, 500,000 sq ft shopping centre on what is known as the Mars I site, ten acres in the heart of the town

The new centre will be inte-grated with the existing Charter Place Shopping Centre said John Abel, e director of Capco. this week. It will include the relocation and expansion of the John Lewis Partnership hranch,

Trevor Osborne, chairman and joint managing director of Speyhawk, says his company was "required" to put forward plans for the major town hall retailing site as a part of its agreement to develop Wimhledon Bridge.

Harris says that the original M and S involvement depended, not just on the Wimbledon Bridge devalopment, but on a major regeneration of the town centre—that this was a pre-

require—that this was a prerequisite for any of the developers who were interested in
phase 1.

The council, they say, took
the view that by fixing on one
developer, thay would get early 1960s.

"The retailers say that this is going to be the most successful scheme in sonth-west London," says Harris. "Greycoat's will happen, when the town is a good one — when we bave made Wimbledon a retailing success."

money has become available from investors to put the development in hand.

According to retail gossip, the money arrived just in time.

John Lewis, says the trade, had been looking at Welwyn Garden City on the A1(M), not far away.

City freeholds on the move again

AFTER A quiet winter, the City of London freehold office market is ticking over again. Smith Melrack and Jones Lang Wootton started the process last week with the £11½m sale of 35-39 Moorgate to elients of Ernest Owers and Williams, said to be Bristol and West. and West.

The deal represented a rent of £40 a sq ft on the 12,500 sq ft of offices (located less than 200 yards from the Bank of England) and a yield of

4 per cent.

Meanwhile, Speyhawk popped up again this week, in interlinked City freehold deals worth over \$30m.

deals worth over £30m.

With its joint venture partners, the Johnston Group of Redhill. Surrey, Speyhawk has been developing 49,000 sq ft of net office space in two buildings at 71-77 Leadenhall Street and 32-40 Mitre Street, EC3, to a design by architects the GMW partnership.

Swiss Re (UK) is paying around £20m for the development and selling its 22,000 sq ft at 108-108a Cannon Street to Speyhawk for "close to" £11m.

to" film.

Finally, on the fringes, Pritchard Services group has sold its two adjoining buildings at 34-44 Clifton Street and 56-58 Worship Street, just to the north-west of Finsbury Square, to quantity surveyors Axiell Yates Hallett.

Healey and Baker acted for

Pritchard which is moving to a new purpose-built head-quarters at Millharbour in Isle of Dogs Enterprise Zone. AYH were represented by Grimley and Son and the purchase price for the buildings, aggregating 19,400 sq ft, was in excess of £2m.

on excess of 12m.

The Canary Wharf consortium expects to break ground this summer for its planned 10m sq. ft office development on the Isle of Dogs in Loudon's Docklands. Joe Willing, vice president of Morgan Stanley International, a consortium member, said so this week as he re-stated his bank's commitment to the scheme as investor and scheme 25 investor

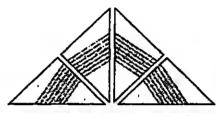
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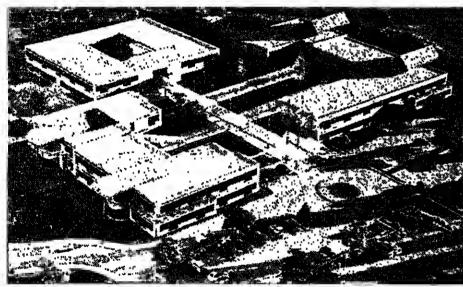
This follows Midland Bank's declared interest in the development. Another consortium partner, firedit Suisse First Boston, is taking temporary space in Oxford Street which it says is an earnest of its intention to wait for parameters. permanent premis Canary Wharf.

• Hillier Parker's latest survey of industrial voids among institutions and pension fund owned industrial property shows a void rate of 2 per cent measured as a proportion of portfolio value.

The firm also said this week that Mesors. B. de Saulles and MJE Marshall have accepted an invitation to join the partnership. –

One instinctively knows when things are absolutely right...





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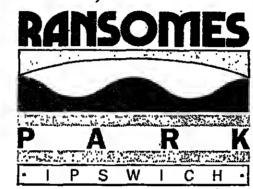
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closeby. In addition, the M4 ma miles aways, and high speed rail as provide rapid links to London loothrose International Almand



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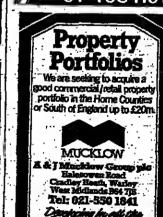
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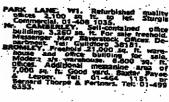
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Company Notices

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Notice of Meeting

Messas, Shareholders are hereby convened to attend the Annual General Messing which will be held or the olivers of Kredetbank S.A. Lusembourgroise, 43, Boulevard Royal, Lusembourg, on April 15th, 1986 at 3.00 P.M. with the following agenda:

Agenda Presentation of the reports of the Board of Directors and of the Presentation of the reports of the Location and loss accural as at December 31st, 1985 and the allocation of net profits.

Declaration of a dividend.

Approval of the remandration of Directors.

Discharge of the Directors and the Statutory Auditor for the fiscal period ended December 31st, 1985.

period ensoit percented 3351, 1902.
Action on nomination for election of Directors and a Statutory
Auditor for the ensuing year.
Any other business which may be properly brought before the

Any other dusticas wants may be properly brought between the meeting.

Shareholders are advised that there is no quorum requirement for all the feeties of the agenda and the resolations thereon will be passed at the simple majority of the shares present or represented at the Meeting, subject to the restriction that no Shareholder other by himself or by proxy can one for a number of shares to excess of 1.5 of the shares usued oc 2.75 of the shares present or represented at the Meeting.

Holdets of bearer shares may one at the meeting in person by producing at the meeting either their share certificates or a certurate of deposit which will be issued to them against deposit of their share certificates with Kredistbank S.A. Lutembourgeoise, 43, boulevard Royal, I-meembourge.

incases which the second states are vote at the meeting by proay by embourg. Holders of bearer shares may vote at the meeting by proay by epicting the form of proxy which will be made available to them inst deposit of the share certificates as aforesaid.

Share certificates so deposited will be retained until the meeting or adjournment thereof has been concluded.

any adjournment thereof has been concluded.

Holders of registered shares may vote at the meeting either is person or by proxy by completing a form of proxy which will be sent to them. inem.

In order to be valid all forms of proxy must reach the registered office of the company at least one day before the date of the meeting.

By order of the Board of Directors Antoine Rousseau Administrative Manager

Notice of Redemption

Sociétés de développement régional «SDR»

EUA 25,000,000.- 91/2% 1975-1987.

Holders of the above mentioned issue are hereby informed that following early redemption of EUA 526,000.- effected on May 5°, 1979, the amortization quots of May 5°, 1986 has been fixed at EUA 4,387,000.-The Bonds to be repaid have been drawn by lot on March 19th, 1986 in the presence of a notary public and bear the following numbers:

> 12427 - 14103 and 20530 - 23239, these numbers inclusive

These bonds will be redeemable at par on and after 5° May, 1986 with all unmatured coupons attached thereto. The principal amount of bonds outstanding after the amortization of 5th May, 1986 will be EUA 4,387,000.-

Finally it is recalled that the following bonds which have been drawn by lot in 1978, 1980, 1981, 1982, 1983, 1984 and 1985 have not yet been presented

for payment:

16611-18612: 7085-7084; 2545-2546; 9036; 10160-10164; 10269; 10614-10616; 14370-14372; 14617; 14893-14896; 18302; 18479; 6579-6580; 6783-6795; 6806-6811; 8902-8905; 10947; 10957; 10964-10965; 10995; 11633; 11072; 11401; 11445-11446; 11453-11454; 11594-11595; 11500; 11629-11650; 11751-11796; 11847-11848; 11892; 11898-11900; 12151; 12203-12206; 12401-12405; 18580; 18593-18607; 18616-18639; 18751-18752; 18811-18814; 18819; 18821-18823; 18876-18881; 18929-18931; 18964-18970; 18968-18994; 18937-19004; 19044-19045; 19071; 19266-19268; 19293-19295; 19352-19371; 19407-19416; 19419; 19421; 19451-19452; 19502; 19587-19595; 19640-19642; 19649; 19714-19716; 19721-19722; 19754-19765; 19788-19790; 19785-19800; 19902; 19940-19944; 19957-19967; 19963-19980; 19988-19990; 19995-20000; 20026; 20029-20030; 20033; 20035; 20048-20147; 20185; 20188-20188; 20199-20202; 20251-20257; 20261-20262; 20273-20276; 20284-20286; 20339-20340; 20486; 20496-20474; 20477-20479; 20487-20488; 20492; 20495-20499; 20503-20508.



Progression

Luxembourg, April 4, 1986

CARREFOUR GROUP

RESULTS FOR 1985 (in millions of French Francs)

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Income before extraordinary items Extraordinary items	520	42B 58	+21.5%
Net income	520	486	+ 7.0%
Primary earnings before extra- ordinary items per share (in francs) Fully diluted earnings before extra-	170,38	144.72	+17.7%
ordinary Items per share (In francs)	164.39	138.24	+18.9%
The Board of Directors will propos General Meeting on April 29 198 share (+13.8%). As a result of the conversion of bonds the overall of A 4-for-3 stock split will be imples	6, a divide e new eka listribution	res Issued increases	in 1985 on



take place on 16th April 1986. The prefix and note numbers drawn will be published at a subsequent date. Barclays Bank PLC, 54 Lombard Street, London EC3P 3AH.
Fiscal Agent.

SOFINA sciete Anonyme existered Officer Naples, helici-lai Resister of I No. 270194 NOTICE OF ORGINARY GENERAL NOTICE IS HARREY GIVEN that the ORDINARY GENERAL MEETING DE SHARRHOLDERS will 6a held at the Resistored Office of the company or Therady-Z4th April 1506, at 2.30 em to consider the following Agenda:—

sth April 1936, at 2.30 em to consider to following Agenda:

AGENNIA Report of the Board of Directors and of the Auditors on the company's activities during the manical year 1985. Relance Sirect and Prost and Loss. Account for the financial year 1985 and Appropriation of Prosts. Discharge to be given to the Oirectors and Auditors. Statutory appointments. Number of Oirectors's Statutory appointments. Number of Oirectors.

Directors.
Shareholders wishing to attend or to represented at the meeting must commit Article 30 of the company's Byeand the Midland Sank PLC

IMETAL S.A. Final Redemption

The Holders of above mentioned Bords are hatewith falorated that the amount remaining outstanding after May 15, 1985 is redeemable at parent of the should be presented for payment up the officen of the paying agents set forth in the prospectus and the conditions of the Bonds.

SOCIETA ANGIOVINE
Societa Angiovine
Registered Office.
Se rue de Nacies, lectles-BrussHesCommercial Reusser of Brussers
No. 270194

The aumber of shares deposited in respect of the Entraordinary General Meeting of Shareholders at Enders, 11th Abril 10th own shares.

Withdrawal of the obligation made to the administrators to allocate a certain number of shares to guarantee their functions.

consider the withdrawel of the func-is of ordinary commissioners, postion the withdrawel of the rantes to administrators and com-

-authorise administrators to represent two of their colleggues; -re-define how pre or several revisor commissioners, expendent for three

Articles.

Share holders wishing to attend or to be terrespected at that meeting must fompily with Article 30 of the company's Byo-Laws. Source Shares must be deposited up to not including 12th April during business ours at the Countries designated to receive hem, at the Registered Office of the company and:

Janon ut the Banque Beige Limited 4 Bichopsgate Loadon EC2N 4AD-Middled Bank PLC
Middled Bank PLC
Middled Bank PLC
Middled Bank PLC
110-114 Cannon Street
London EC4M 6AA
BY ORDER OF THE 60ARD

COMPAGNIE FINANCIERE DE CREDIT INDUSTRIEL ET COMMERCIAL Corporation organised under Franci law with limited liability Société Agonyma Capital: Franch francs 1,750.000.000 Head Office: 66, sue de la Victoire. Paris 9ème FRANCE

Notice to the holders of Floating Rate Notes due 1997 of USSEO,000 each The ordinary general meeting of the noteholders held on March 20, 1986 appointed se representatives of the noteholders:

Legal Notices

M. Pierre Paul CASABIANCA 23, avenue Juanne d'Arc 92180 ANTONY — FRANCE M. Pierre GUYONVARCH 19. boulevard Poteira 25017 PARIS — FRANCE

No. 00896 of 1973 IN THE HIGH COURT OF JUSTICE CHANCERY OLVISION COMPANIES COURT MR. REGISTRAR ARADAURN

IN THE MATTER OF LONDON SCHOOL OF ACCOUNTANCY INCLINES LIMITED AND IN THE MATTER OF THE COMPANIES ACT, 1948

QUANTUS FUND Societe d'investissement a Capital Variable 10a, Boulevard Royal

10a, Boulevard Royal
Luxenbourg
NOTICE TO SHAREHOLDERS
NOTICE OF MEETING
NOTICE IS HEREBY GIVEN that the
fust Annual General Meeting of
Quantus Fund will be beid at the
régisteral effice en Lusembeurg. 10a
Boulevard Reyal on Thateday. 17th
April, 1986 et 11 a.m. for tha
aureose of considuring tha tollowing agenda:
(1) To receive and adopt the management import of the directora

agement mport of the directors for the your to 31st Decamper.

agament mport of the directors for the your to 3fet Decamber, 1985.

(2) To receive and support the import of the statutory auditor for the year to 3fet Decamber, 1985.

(3) To receive and edopt the essual accounts and edopt the essual accounts at at 2fst Decamber, 1985.

(4) To grant discharge to the directors and the statutory auditor le respect of the execution of their mandates to 3fet Decamber, 1985.

(5) Te receive and are on the statutory numerical and the statutory numerical and the statutory auditor le cection of directors and the statutory auditor for a sew term of one year.

(6) To appropriate the termingn.

(7) To hansest eny offer business. The shareholders on record at that date of the meeting are outsided to vote or give process. Provies should arrive at the regiment of offers of the company not later than twenty, and propared the meeting.

(a) Urder of the 2001 of 0 offers of the company not later than twenty, and propany not later than twenty.

DOME PETROLEUM LIMITED \$ US 50.000.000 FLOATING RATE **NOTES DUE 1989**

For the six months, March 24. 1986 tn September 23, 1986, the rate of interest has been fixed at 7 3/4 % P.A.

The interest due on September 24, 1986 against coupon or 9 will be \$ US 396,11 and has een computed on the actual number of days elapsed (184) divided by 360.

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE ALSACIENNE DE BANQUE 15, Avenue Emile Reuter LUXEMBOURG

USD 300,600,000 CAISSE NATIONALE DES **TELECOMMUNICATIONS** Floating Rate Notes due 2000

Natice is hereby given that the next interest period chosen by Cassas Nationale day Telecommunications is three months, beginning April 14th 1986. The Fiscal Agent Benque Nationals de Peris (Luxembourg) S.A.

APPOINTMENTS

Royal Bank senior post

chief general manager, inter-national banking, when Mr Pollard retires on September 30. Mr McGill was general manager, strategic planning.

COWARD CHANCE is taking into partnership on May I Mr Tom Hawes, Miss Anne Williamson, Mrs Kate Howles, Mr Manrice Allen, Mr Hablb Motani, Mr Peter Chariton and Mr Chris Wyman.

Mr Alan Smith has been Mr Alan Smith has been appointed managing director of VICTORIA WINE. The move follows the £23.5m acquisition of the Haddows chain of 146 Six-2s and the transfer of Victoria Wine from the wines and spirits division of Allied-Lyons to the beer division. Mr Smith was a director of International was a director of International Marketing and Promotion. He is well-known within the Allied-Lyone group baving been market-ing director of Ind Coope prior to taking up his present appointment some 15 months ago.

Mr Allan Taylor has been appointed commercial director of MIDLAND BRIGHT GROUP, and

Mr D. J. Cooksay hos been appointed managine director of REED PLASTIC PACKAGING baving previously been manager of the extruded products uoit at Telcon Plastice, another Reed Intercational company.

Mr Douglas Atherley, Mr Richard Coons, Mr Donglas Hanney and Mr Trevor Sliwerski have joined the board of BARING FAR EAST SECURITIES. Joining as assistant directors are Dr Christopher Derizott and Mr Nigel Radley. Mr Miles J. Rivett-Carnac, a managing director of Baring Brothers & Co, has joined the board as a non-executive director. tive director.

BLICK INTERNATIONAL, parent company in the Blick International Group, has appointed Mr Colin D. Marianes as director of Blick International and Blick Intercational Systems, and company secretary of all group companies. He has taken over the duties of Mr J. P. Erskine, who will be staying for the time being as a director with a view to retiring before the end of the financial year. Mr Macianes was financial director of Logport International.

Mr Lewis McGill has been appointed senior general director; Mr Tony Palframan to manager, intercoational banking, general manager Manchester and at THE ROYAL BANK OF Birmingham; Mr Alan Thocoton-SCOTLAND. He will succeed West to director executive selection; Mr Ken Wong and Mr lan third general manager intertion; Mr Ken Wong and Mr lan Macfarlane to divisional directors.

> Mr Nicholas Chamberlen has been elected chairman of the LONDON DISCOUNT MARKET ASSOCIATION, in succession to Mr Roger Gibbs. Mr James Barclay is the new deputy

chairman. Mr Chamberlen is chairman of Clive Discount and Mr Barclay is chairman of Cater

Mr Ted Weston has retired as a non-executive director of BET, the international services company. He was appointed to the BET board after the acquisi-tion of Initial last year.

Mr Gerald Rothman has been appointed a director of BRITISH LAND COMPANY. Mr Rothman, who will initially be based in New York, will also become president and chief executive officer of British Land of America based in the company's office in New York.

Mr James White bas been appointed a non-executive director of REDLAND. He is managing director of Bunzl. and a director of Lucas Industries and United Parcels.

REED PLASTIC PACKAGING baving previously been manager of the extruded products uoit at Telcon Plastics, another Reed Intecoational company.

Mr W. A. Spartin has been appointed chairman of MSL EXECUTIVE SEARCH. Mr T. R. H. Neame has become managing director. Mr B. J. Cucoow, Mr L. C. Keppen and Mr J. O. Ranger have been appointed directors.

Mr Jason Hnbbard has been promoted to the board of POLAROID (UK) as marketing director. He will be succeeded as general manager. UK marketing, by Mr Colin Walker, formerly marketing director

WARMEN INTERNATIONAL bas appointed Mr H. N. (Nick) Hargreaves as managing director. He succeeds Mr Paul F. Morgan who remains a director until be retires early in 1987. Warman International is a wbolly-owned subsidiary of the Australian Group Peko-Wallsend.

as director of Blick International and Blick Intercational Systems, and company secretary of all group companies. He has takeo over the duties of Mr J. P. Erskine, who will be staying for the time being as a director with a view to retiring before the end of the financial year. Mr MacInnes was financial director of Logport International.

BIS APPLIED SYSTEMS has made the following promotions:

**

Mr John H. Gunn and Mr Revillags have been depointed to the board of trust. Mr Gunn, as executive director of The British & Commonwealth Shipping Co. will serve as a non-executive director and Mr Rawlings, chairman of LET's insurance broking subsidiary Burlington Insurance Services Ltd, as an executive director.

The board of directors of Scoa SA met on March 18, 1986, in approve the company and group consolidated accounts for the year ending December 31 1985, prior to the accounts being submitted to the annual shareholders meeting no May 13 next. Consolidated turnover in 1985 was 9.1 billion francs and consolidated net income 72 million francs, with the group's share representing 51 million francs after deducting minority

The table below gives the main figures in relation with the gcoup's performance over the past two financial years.
12 months from 15 months from
1.01.85 to 31.12.85 1.10.83 to 31.12.85

9 133 mf 72 mf 10 165 mf Consolidated tuccover 61 mf 31 mf Consolidated net income 51 mf (Group's shere)

The accounts of the parent company, Scoa S.A. show a profit of 35 million francs although this figure is not comparable with the income figure for the previous financial year, 1983/64, because that year was 15 months long and also because of the accounting on an equity basis of the portfolio assets in line with the law of January 3, 1985, and decree of February 17, 1986.

The group achieved this level of income despite economic difficulties in Africa, lower exports to Nigeria and the fall

In the value of the naira.
Improved management performance led to better results in leading sectors such as automobile distribution, retail store chains and exports of pharmaceuticals. In addition, extensions have taken place, mainly in France in the field of automobile distribution and services.

In line with plens to expand the group, Scoa mounted a

major financing operation last June, combining an increase in the company's share capital and a convertible bond issue with stock purchase warrants. This operation enabled Scoa to strengthen its financial structure and extend its activities to new markets. The upbeaval io the oil market is deeply changing the economic prospects for 1986 of the economies of the African countries whose main resource is oil. As far as Scoa group

Is concerned, and despite this new uncertainty, continued emphasis on the strategy of bringing business activities into line with markets potential, and the policy of setting aside general provisions for contingencies, should help in stabilise the situation. The board also accepted the resignation of Mr Alain de wilf as his recent appointment in the Inspection Generale des Finances prevents him from staving an as director and deputy chairman of Scoa. It was decided the appoint him honorary deputy chairman of the company.

To replace him as a director, the board co-opted Mr Philippe

Duisc, deputy general manager of the Paribae Bank. PORTSMOUTH

BUILDING SOCIETY

Notice is hereby given in accordance with the Society's Rules that as from 1st April 1986 the following rates of interest per annum with be paid on the various types of investment account.

8.66% **Ordinary Share** 6.15% Equivalent 7 Day Share 7.70 % 10.84% to (where 30 Day Share 12.39% 8.80 % income tax is payable 12.68% 90 Day Share 9.00% at the basic 12.96% 3 Year Period Share 9.20% rate of 29%) 10.77% Subscription Share 7.65%

The Rate of Interest on all discontinued issues of Notice and Period Shares will be reduced by 1.00% All rates are variable. Against now expect £290,000,000

and Office: (76 London Road, North End, Ports Telephone 197951 66351 1

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Floating Rate Notes 1989 NOTICE IS HEREBY GIVEN that a drawing of Notes due for redemption on 30th May 1986 will

Luxembourg, April 4, 1995

BANQUE INTERNATIONALE A LUXEMBOURG Societé Anosyme Fiscal Agent

(farmerly LE NICKEL) 9% 1971-1986 \$U520,000,000

Finelly it is recalled that the following bond seathers which have been drawn by lot in previous years here not yet been presented for psyments: 14891-14898; 14900; 15035; 15102-15107; (5299-(5300; 15478-15486; 16039-16127; 18376-18395; 18472; 16436; 18507; 18566; 18669-18670

phor to the day appointed for the said Meetings.

The said creditors and Members of Holdings may vote in person at such of the said Meatings as they are entitled to ettend or they may appoint onother person whether a treditor or a Member of Holdings or not set their mays to attend and with

appoint onother person whether a readitor or a Member of Holdings or not as their proxy to attend and vote in their stead.

It is requested that forms appointing proats be lodged with the Liquidator of Holdings at 8 St. Bride Street. Leadon ECAA 4DA hor less than 48 hours belora the time appointed lar the said Meeting but if forms are nor so lodged they may be harded to the chairman 6t the Meeting at which they are to be used.

By the said Older of the Court have sopolmed PETER WILLIAM OROSTETE OBUISSON or falling him JOHN ALLAN WILSON to act as Chairman all each of the said Meetings and has directed the Chairman to report the results thereof to the Court.

The seld Schams of Arrangement will be subject to the automatic provided the Court.

Deted this 4th day of Annil, 1986.

WATERHUISE & CO., 4 2t. Paul's Charchyard.

Landon ECAM 88A., Solicitors feet the Liquidatet.

IN THE MATTER OF

LONDON SCHOOL OF ACCOUNTANCY LIMITED ANO IN THE MATTER OF THE COMPANIES ACT, 1948 THE CRIMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that py on Order damed the 17th day of March, 1888 made in the aPova metrors the Coart has directed superative Meetings to be convened of (i) the preferential craditors (a) the unsecured craditors and linit the Members respectively of the above-named London School of Accountancy [Holdings] Immited (harainster called "Holdings") fee the purpose of ceneldering and, if thought int. approxing (with of without modification) a Scheme of Arrangement ore posed to be made between each of The London School of Accountancy Limited Ihereinefter called "LSA") and Holdings and their respective creditors and Members and that such Meetings wiff be held at 8 St. 2 lide Street, Londos ECAA 4DA on Tuesday the 29th day of April 1986 at the asspective times below mentioned namely:

(1) the Meeting of the preferential NOTICE IS HEREBY GIVEN that by an Order dated the 17th day of March, 1985 made in the above matters the Court has directed appears Meetings to be convened of (i) the preferential

to be convaned of (i) the preferential creditors [ii) the unsecured creditors and (iii) the Members respectively of the above-named The London School of Accountancy Limited (horeinstiter called "LSA") for the purpase of cenardating and, if theught (iit, epproving lwith or without medification) of School of Armngement proposed to be made perween sach at LSA and London School of Accountancy [Holdings] Limited [hareinstiter called "Holdings"] and their inspective elections and Members and that such Meetings will be held at 2 St. Bride Straat, London ECAA 4DA on Tuesdey the 25th day of April 1936 at the respective times below mentioned, namely:

(1) the Meeting of the preferential civa times below montoniad, namely;

(1) the Meeting of the preferential crediters of LSA at 9.00 o'clock in the forence (2) the Meeting of the unsecured crediters of LSA at 11.30 a'clock in the lerengen at ac soon thereafter at the preceding Meeting of the erelevential creditors of Holdings convened fer the same ofsice and day shall have been concluded or signatured and (3) the Meeting of the Members of LSA of 3.15 e'clock in the afternoon or ac soon thereafter as the preceding Meeting of the unsecuted creditors of Holdings convened for the same place and day shall have been concluded or adjourned at which place and respective times all the aferiesed creditors and Members of LSA are requested to amond.

Any person antilled to ettend the

the 23th day of April 1986 at the manageritis mess below mentioned armoly:

(1) the Meeting of the preferential creditors of Holdings will be held at 10.15 o'clock in the forencen or se soon thereafter as the preceding Meeting of the preferential creditors of LSA convened for the same place and day shall have been concluded or adjourned (2) the Meeting of the unaccured creditors of Holdings at 2.00 o'clock in the afternoon or an amon thereafter as the preceding Meeting of the unaccured creditors el LSA convened the the same place and day shall have been concluded or adjourned and (3) the Meeting of the Members of LSA convened the the same place and day shall have been concluded or adjourned at 3.30 e'clock in the afternoon or so soon thereafter as the preceding Meeting of the Members of LSA convened for the same elace and day shall have been concluded or edjourned at which place and respective times all the afteresand creditors and Members of Holdings are requested to attend.

Any person ontitled to attend the said Meetings are nomitled to attend the said Meetings are requested to attend the said Meetings are requested to attend the said Meetings are requested to attend the said Meetings are no both or companies Act.

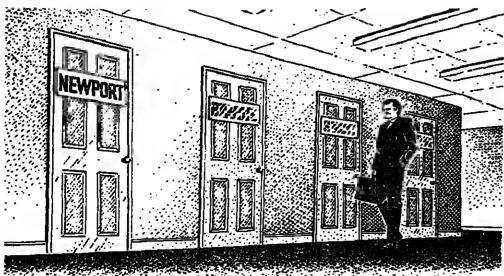
1985 at the registered office of Holdings at a 3.5t. 2 lide Street, London ECAA 40A, and at the effice of the undermentioned below during usuel pushess hours on any day (other than Saturday, Suhday or papilic holiday) prior to the day appointed for the said Meetings.

steed.

It is requested that farms appelining provine Pa lodged with the Liquidator of LSA at a St. Bride Street, Londen EC4A 4DA not less than 48 hours before the time appelined for the said Meetings but if lerms are not se tedged thay may be handed to the Chairman ut the Meeting 21 which they are to be used.

By the said Order of the Court has appointed PETER WILLIAM GROSTETE OUBUISSON or fading him JOHN AVAN WILSTIN to oct as Chairman of sech of the sed Mastings and has directed the Chairman to mport the results thereof to the Court. The cald Schame of Altengament will be subject to the aubequent approval of the Court.

Oated this 4th day of April, 1986. WATERHOUST & CO., 4 Si. Paul's Cnuichyard, London EC4M 8BA. Saliciters (or the Liquidator.



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THE ARTS



Music

LONDON

Royal Philharmonic Orchestra conducted by Antal Dorati with Radu Lupu, piano. Beethoven. Royal Festival Hall (Mon). (928 3191)
Philharmonia Orchestra conducted by Riccardo Muti with Itzhak Perlman, violin. Tschaikovsky and Scriabin. Royal Festival Hall (Tue.)
City of London Sinfonia conducted by Yan Pascal Tortelier with Yuzuko Horigome, violin. Ravel, Mozart.

Horigome, violin. Ravel. Mozart. Hoddinot and Beethoven. Barbican

Hall (Tue). (638 8891)
Antal Dorati 80th hirthday concert in
the presence of Princess Anne. Royal Philharmonic Orchestra and Brighton Festival Chorus conducted by Anial Dorati. Beethoven. Royal Feeting! Hall Con-11

Festival Hall (Wed).
London Philharmonic Orchestra conducted by Jesús López-Cobos with Jonathan Snowden, flute and David Watkins, harp. Ravel. Mozart and Rimsky-Korsakov. Royal Festival

Hall (Thur).

Royal Philharmonic Orchestra conducted by Jose Serebrier with Carlos Bonell, guitar and Alberto Portugheis, piano. Spanish programme. Barbican hall (Thur).

Felicity Lott recital (Mon), Theatre de l'Athenée (47428727)
Orchestre de Paris-chamber music:
Beethoven, Gounod, wind instru-mants (Tue 8.15 pm). Salle Chopin-Pleyel (45619807)

Inaki Fresan, baritone, Manuel Ca-bero Ipueyo, piano: Mozart, Schu-bert, Schumann (Tue 6.30 pm).

Opera and Ballet

Prokofiev's War and Peace produced by the National Opera from Sofia, Theatre Des Champs Elysées

Theatre Des Champs Lysees (47234771).

La Traviata alternates with Soirée Maurice Bejart at the Paris Opera Ravel's L'Heure Espagnola, a one-act musical comedy full of Spanish rhythm, is completed by Puccin's Gianni Schicchi, a one-act opera full

of verve and humour, Opèra Comique (42960611)

Sankai Jaku, choreographed by Ushio Amagatsu, creates a shock with often disturbing and cruel images of the Buto dance. Théaire de la Ville (4274277)

BRUSSELS

Cirque Royale: The Merry Widow con-

ducted by Christoph von Dohnanyl with Anje Silja, soprano. (2182015)

Royal Opera, Covent Garden: Rossini's

Semiramide, in a coocert performance conducted by Henry Lewis, joins the beavily criticised but po-

tentially rewarding Fliegende Hollander and the solid looking re-vival of Arabella in the repertory.

English National Opera, Coliseum: Reginald Goodall's last perfor-mances of Parsifal in this run,

otherwise an evening of dramatic disappointments. The Merry Widow

continues to draw the crowds, now in a revised staging by Ian Judge, while there is a return of Elijah

Moshinsky's exuberant Bartered Bride. (8363161)

WEST GERMANY

Berlin, Deutsche Oper: Katja Kabano-

wa has Karen Armstrong in the title role. Bernd Alois Zimmermann's Die Soldaten, produced by Hans Neuenfels, returns. Don Giovanni

NEW YORK

Theatre

LONDON

Théâtre des Champs Elysèes Around Schoenberg, in connection with the Vienna Exhibition (Wed). Centre Georges Pompidou, Grande Salle. (4277 1233)

Salle. (4277 1233)
brchestre de Paris conducted by Carlo
Maria Giulini, Barbara Hendricks,
Soprano, Hakan Hagegard, Baritone, The Paris Orchestra Choir
conducted by Arthur Oldham: Schubert, Faure (Wed, Thur) Salle Pleyel

(45619607) Nouvel Orchestre Philharmonique conducted by Eliahu, Inbal, Rafael Orozeo, Piano: Rachmaninov, Mah-lar (Thur), Radio France, Grand Au-ditorium (4524 15 16)

ITALY

ome: Theatro Olimpico (Piazza Gen-tila da Fabriano): The Age of Rossi-ni: Music by Rossini and other Italrs of the early 19th cen tury sting by the young soprano Ce-cilia Gasdia (Wed). The orchestra is conducted by Franco Petracchi

ne: Auditorium via Della Concilia Rome: Auditorium via Della Concilizzione: Tchaikovsky and Stravinsky conducted by Yuri Temirkanov (Mon and Tue) (854 1044).

Milan: Taatro alla Scala: Narciso Yepez (guitar) and Nicanor Zabaleta (harp), Soler. Montsalvatge and Rodrigo (Mon). (80 9126).

Naples: Teatro di San Carlo: tenor Nicolai Gedda (Mon) (41 8266).

Florence: Teatro Comunale: Soprano Remata Scotto accompanied by

Renata Scotto accompanied by Leone Magiera. Handel, Verdi, List and Wolf-Ferrari. (Thur). (277 9236)

NETHERLANDS

Amsterdam, Concertgebouw. The Netherlands Philharmonic conducted by Ken-Ichiro Kobayashi, with Augustin Dumay, violin. Lalo, Berlioz (Tue). Riccardo Chailly conducting the Concertgebouw Orchestra, with Jorge Bolet, piano, and Jard van Ness, mezzo. Berio, Ranck, Rav-al (Wed, Thur). Recital Hall: Yo-Yo Ma, cello, and Patricia Zander, piano (Thur). (71 8345). Utrecht, Vredenburg, Screening of Eisenstein's Battleship Potemkin, with

Edmund Meisel's score performed by the Brabant Orchestra conducted

brings Cheryl Studer, Pilar Loren-gar, Barbara Vogel and Leous Carl-

son together, Macbeth has Thomas Fulton as guest conductor, amburg, Staatsoper, Zar und Zim-

mermann is a well done repertoire performance. Der fliegende

performance. Der fliegende Holländer has Sophia Larson and

Robert Halesleads, This week's highlight is Manon Lescaut starring Natelia Troltakaja and Franco

Frankfurt, Opera: Doo Pasquale has

fine interpretations by Barbara Bonney as Norina and Bodo Schwanbeck in the title role, Der

Freischütz, offared for the lest time this season, has Walter Raffeiner, Beatrice Nichoff, Barbara Bonney and Manfred Schenk. La Bohème

with Yoko Watanabe and Giacom

Aragall is an event of more than passing interest.

passing interest.

Minnehen, Bayerische Staatsoper;
Manon, a Jean Pierre-Ponnelle production, is perfectly cast with Edita.
Guberdva and Alberto Cupido. Fidelio features Sabine Hass, Julie Kaufmann, James. King and Kurt Moll. Der fliegende Hollander has Robert Schunk in the title role beside Astrid Varnay and Licheliu.

side Astrid Varnay and Lisbeth

NETHERLANDS

Amsterdam, Stadtsschouwburg, Neth

tion of the CIVIL warS by Philip Glass and Robert Wilson, directed

by Robert Wilson. The Netherlands

Philhermonic under Lucas Vis. and the Netherlands Chamber Choir

by Allan Feron (Mon). Three-piano recital by Louis van Dijk, Pim Ja-cobs and Daniel Wayenberg (Thur). Recital Hall: Yo-Yo Ma, cello, and Kathryn Scott, piano. Schumann, Crumb, Schubert, Brahms (Tue). Colorado String Quartet, with Rain de Waal, piano. Haydn, Shostakovich, Brahms (Thur). (314544). lotterdam, De Doelen. Andrew Davis

conducting the Rotterdam philher monic, with Jo Hagen, flute. Haydn Devierne, Schumann (Tue to Thir). Recital Hall: Beethoven concert by Glen Wilson, fortepiano, Wouter Möller, cello, Erik Hoeprich, clarinet (Mon). (142911).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Marilya Schmiege mezzo-soprano, Rudolph Firkusny piano, Warner Klemperer narrator, New York Choral Artists directed by Jo-seph Flummerfelt, Martinu, Novak, Dvorak (Tue); Christopher Hogwood conducting. Jeanne Baytresser conducting, Jeanne Baxtre flute, Judith Leclair bassoon. mue, Judin Leciair bassoon. Ali-Mozart programme (Thur). Lincoln Center (8742434) Vaverly Consort (Alice Tully Hall): Mi-chael Jaffee director. All-Josquin

programme (Thur). Lincoln Center (362 1911) aufmann Hall: Marc Laforet piano

recital with Jean-Jacques Kantorow violin. Beethoven, Debussy, Chopin (Tue). 1395 Lexington Av (8318603): lerkin Hall (Goodman House): Adria Firestone, mezzo soprano recital. Granados, Barber, Ravel, Menotti, Bernstein, Biscardi, Barab, Col-grass, DeFalla (Mon); Boston Cameta. Joel Cohen director. Spanish Recaissance programme (Tue); Yo-sef Yankelev violin recital with Dina Smirnov piano, Weinberg, Engel, I. Kremen (Wed); Concerts Plus. Sim-ca Heled artistic director. Harp programme (Thur). 67th w. of Broad way (3628719)

WASHINGTON

National Symphony (Concert Hall): Mstislav Rostropovich conducting. Tucker, Haydn, Bruckner (Tue). and 'cellist' Hugh Wolff conducting All-Dutilleux programme in honour of the composer's 70th hirthday (Thur). Kennedy Center (2543776)

by Franco Zeffirelli, with choreogra

phy by Rosella Hightower. Michel Sasson conducts and the cast in-

chudes Carla Fracci, Domini Khalfouni and Jean Charles Gil. (809126). me: Teatro dell'Opera: Herodiade by Jules Massenet conducted by Gianluigi Gelmetti and directed by Alberto Fassini with a cast which in-cludes Agnes Baltse, Montserrat Ca-

ballé, José Carreras and Juan Pons. verdi: Un Ballo in Maschera, directed by Alberto Fassini with Adriana Morelli, Stella Silva and Carlo Cossutta (63 19 48).

NEW YORK

Metropolitan Opera (Opera House): The week features the first seasonal performance of Parsital conducted by James Levine by James Levine with Leonie Rysanek and Peter Hofmann, joining the repertory of Don Carlo with Mara Zampieri; Aida conducted by James Levine with Anna Tomowa-Sintow and Luciano Pavarotti; Sir Peter Hall's production of Carmen also conducted by James Levine with Maria Ewing in the title role, Catherine Malfitano as Micaela and Placido Domingo as Don José; and the last performance of the season of Der Rosenkaveller with Tatiana Troyanos. Lincoln Center (382 6000) Joffrey Ballet /(NY State Theater The spring season includes two full-evening performances, Romeo and Juliet and The Taming of the Shrew, four one-act premieres and 14 repertory favorites including Of-

by Siebe Riedstra

Milano: Teatro Alla Scala: Slightly sleepy production of Bellini's La Sonnambula, cooducted by Gianan-drea Gavazzeni and directed by the film director, Ermanno Olmi. The young American soprano June An-derson makes a successful Scala debut as Amina and Patricia Pace is a did Lisa, Susan Lake, directed

Cais (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to tren-dy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. 2nd Street (Majestic): An immodest

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the 30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brighton Beach Memoirs (46th St): The first instalment of Neil Simon's and jokes focuses. mix of memories and jokes focuses on a Depression-era Jewish house-

on a Depression-era Jewish household where young Eugena falls awkwardly in love with his cousin.
(2211211).

A Chorus Line (Shubert): The longestrunning musical ever in America
has not only supported Joseph
Papp's Public Theater for eight
years but also updated the musical
genre with its backstage story in
which the songs are used as auditions rather than emotions.
(239 6200).

La Cage aux Folles (Palace): With
some tuneful Jerry Herman songs,
Harvey Fierstein's adaptation of the
French film manages, berely, to cap-

French film manages, berely, to capture the feel of the sweet and hilar-ious original between high-kicking

(75/2628).

Pm Not Bappaport (Booth): In moving to Broadway, Herb Gardner's touching, funny and invigorating play about two oldsters retains its stars,

about two oldsters retains its stars, Judd Hirsch and Cleavon Little, who almost conquer the world when they think they are just bickering with each other. (2396200). Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississtppi, which walked off with many 1985 Tony awards almost by default. (2460220).

dappy Days (Goodman): The Goodman company celebrates Samuel Beckett's 80th birthday with the playwright's bleak view of the world, interpreted by the Postate an-born director, Andrei Belgrader Ends May 11. (443 3800) LONDON

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Santa Dennis Lawson and Jan Francis lead an en ergetic company in mistaken iden tity romp, while Verdi's Otello car

tity romp, while Verdi's Otello car-ries on regardless. (437 1592). New Rowan Atkinson (Shaftesbury): New revue starring rubber-limbed clown with a strong line in scatological sa-tire and rude sketches, many of them reflecting British classroom tyrannies. (379 5399). Blithe Spirit Vaudeville): Excellent re-vival of Noël Coward's smart com-erty shout a novellet harassed by his

edy about a novelist harassed hy his second wife and haunted by his first. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cow rarago, accer without unone cow-ardian reverence by Simon Cadell. Joanna Lumley and the alabaster beautiful Jane Asher. (336 987) When We Are Married (Whitehall): Matchless comic playing from an all star cast in Priestley's comic war-buyes about silver wedding auri-

star cast in Friestey's coinic war house about silver wedding anni versaries undermined by en incon-venient revelation. Bill Fraser is a trunken Falstaffian photographe and the couples are led by Timothy West and Prunella Scales. The 193 West and Prunella Scales. The 1930 theatre has been beautifully renovated (930 7765).

Calé Puccini (Wyndham'a): Puccini compilation show by Robin Ray that deterioates rapidly from a good idea — writers singing hits back at the maestro customer — to a routine potential kierasahu with training new lyring.

maestro customer - to a rotune por-ted biography with trying new lyrics and uneven singing. (838 3028)

The Scarlet Pimperuel (Her Ma-jesty'a): Donald Sinden in respien-dent pimmy-voiced form as Baron-ess Orczy's one-man resistance movement to the French Revolu-

tion. Opera director Nicholas Hyt ner's efficient and sparkish produc ner'a efficient and sparkish produc-tion has smoke, tumbrils, rat stew and rolling heads. (930 4025). Interpreters (Queen'a): Love among tha diplomats, according to Ronald Harwood has a superb vole for the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shadow of a summit be-tween The Soviet Unioa and Brit-ain. Fluent direction by Peter Yates of the West End's best new play of the year. (734 1168). fenbach in the Underworld, Forgot-ten Land, and Rodeo. Ends April 20.

WASHINGTON American Ballet Theatre (Opera House): National tour includes from the company repertory Don Qui-tote, Romeo and Jullet, Giseile and The Nutracker, Ends April 20. Kennedy Center (254 3770)

Exhibitions

Noh Costumes and Kyogen Masks: 20 beautiful costumes from the Edo period (17th-19th century) and Kyogen masks from original 14th century era of consolidation of Nob into its present form. Okura Museum in front of Hotel Okura. Ends Apr 20. Closed Mon.

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Eu-rope, shows a variety of the hold-ings, like a French Rosses and the rope, shows a variety of the sings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschinis. Ends May 1.

Museum al Modern Art: In the center-

ary of his hirth, the museum mount the largest show ever devoted to the me argress snow ever occored to the architecture, design and furniture of Mies van der Rohe with 300 drawings, eight models and a full-scale rendering of the chrome-plated steel-others from the 1990 Handley column from the 1929 Barcelona Ex-position. Ends Apr 15.

WASHINGTON

National Gallery: The 150th anniver-sary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and wantropoints of runsit scenes and rural life, which show Homer's ex-perimentation in watercolours be-force he attempted subjects in oils. West Building, Ends May 11.

CHICAGO

Art Institute: The 75th American Exhibition chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke, Ends April 27.

LONDON

The Tate Gallery: 40 Years of Modern Art is a huge, rambling and always fascinating display marking the re-tirement of Ronald Alley, Keeper of the Modern Collection for the last 20 years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical interest in European work before 1960 has meant that the influence of the New York School is no longer the power it once seemed. The work now take its place with its internathe best of modern collections, and this show makes clear its unique character of generosity and open-mindedness, Ends Apr 27.

PARIS

Rembraudi'a engravings: Engravings from the Dutnit collection represent Rembraudi's intimate world, his family, his friends, even sho ers and beggars. Every subject in-terests him, from biblical scenes to the most varied expressions of his own face, from a portrait of a philosopher to an image of a couple mak-ing love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais.

Closed Mon. Ends April 20

(4285 1273). lenna 1880-1938: Centre Pompidou stages one of its vast exhibitions where different disciplines combine to bring to life a moment of history. Turn of the century Vienna, melting put of nationalities and races, is the atmosphere of n fin de regne is lit atmosphere of a fit. Le regue is in by an explosion of ideas and ar-tistic creativity with architects like Wagner, musicians like Mah-ler and Schoenberg, thinkers like Freud and painters like Khimt, Schiele, Kokschka and the Seces-sion Movement. Some 2000 exhi-nits has mitness to Vicence and hits bear witness to Vienna's contribution to modernity. Beau-bourg-Centre Georges Pompidon. Closed Tue. Ends May 5. (4277 1233).

d'ocuvres oo loan from the Maurits-huis trace a panorama of 17th-century Dutch painting with Ver-

paintings, still lives and landscapes. Grand Palais. Ends June 30.

Grand Palais, Ends June 30. (4261 5410).
Diego Giacometti: first exhibition showing the works of a sculptorcreator of furniture, mostly in bronze with animal ornamentation.
Muste des Arts Decorants, 107 Bue de Rivoli. Ends Apr 13 (4260 3214).

WEST GERMANY

Hanover, Sprengel Museum Kurt Schwitters Platz: Kurt Schwitters (1887-1948). This comprehensive show, collected by the Museum of Modern Art, New York, includes as modern Art, new tork, manages as well works from his Hanover period (1923). There are 300 paintings, drawings assemblages, collages and sculptures. Ends Apr 20.

sculptures. Ends Apr 20.
tuttgart, Staatsgalerie, KonradAdenauer-Str. 30-32: German Art of
the 20th century. This is the same
exhibition as was shown at the Royal Academy in London last year. It is made up of 300 works from 1905-85 by 50 artists. Ends Apr 20. Iso-so by a artists. Land and A-lumburg, Museum für Kunst und Ge-werbe. Steintorplatz 1: Also to hon-our Kokoschka, this museum is showing his complete works for the theatre. The 250 items cover costimes and set designs. Ends Apr 27.

Berlin, Hans am Waldsee, Argentinische Allee 30: 1960-1985 Asperts
of Italian Art. 106 works by 36 Ital-

ian painters, covering the last 25 years. Among them Ceroli, Fahro and Kounellis (Ende April 27).

Toulouse Lautree - paintings, draw-ings and lithographs. Credit Commai Ends Apr 13.

Rome: Gelleria Nazionale d'Arte Moderna: Giulio Turcato: Marvellous ex-hibition by one of the liveliest of iemporany Italian artists, now in eighties. Joyful, irrepressible and irreverent, cocking a snoop at conventional values whether it be those of the Communist Party (which he joined in 1943) ar piety. He declined to accept the party's strictures on how artists should write the party's strictures on how artists should strictures on how artists should paint, and one of his most famous works, The Demonstration (il comiz io), on show here, was severely criti-cised by the party leader, Togliatti, as being too abstract, Ends April 30.
Venice: Peggy Guggenheim Museum

(Palazzo Venier dei Leoni): Fifty Years of European painting: 1910–1960: Since Peggy Guggen-heim's death in 1979, her collection has been amalgamated with that of her uncle, Solomon R. Guggenheim. Thomas M. Messer, of the Guggen-heim in New York, is thus director of both, and has organized some 30 works of exceptional quality, representing the important movements of those years: Fauvism, expressionism, orbitm, futurism, surrealism and dada. The exhibition opens with Matiera and andersith Public View. Matisse and ends with Dubuffet. Via Braque, Picasso, Kandinsky, Modig-liani, Klee, Miro and many others.

Han, Kies, Miro and many others.
Ends April 14.

Venice: Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the mid-19th cembries, includes Guardi, Canova, Canaletto, and Tiepolo, as

April 17.
learnes, Museo Nazionale del Bargel-lo: Bomage to Donatello: to cele-brate the 6th centenary of his birth the 19 Donatellos the museum owns, of which only six are of absolutely certain attribution, have been grouped with much documentation, to give a new view of the artist. The exhibition includes his extraordi-May 30.

SPAIN

rs like Madrid, Max Ernst A vast retrospec tive of master of surrealism on show for the first time in Spain gathers 125 works of his early Dada, frot-tages, collages and later stages; sur-realist works up to his death. On loan by the Moma, Centre Pompidou, Guggenheim and Menil centres in Europe and the States, offers the fullest study we have yet had of the work of one of the most relevant art-ists of this century. Fundacion March, Castello 77. Feb 28 to April

FINANCIAL DEREGULATION CONFERENCE.

May 1st and 2nd

A major conference on Financial Deregulation, presented by the David Hume Institute in association with Deloitte Haskins+Sells. Its aim is to provide a forum for analytical discussion and debate on

the principal issues, areas of opportunity, and potential problems arising from deregulation. The conference will take place in Edinburgh on Friday, 2 May

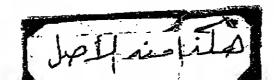
preceded on the evening of Thursday, 1 May by a reception and dinner, with an address by Professor George Stigler, the Nobel prize-winning economist from the University of Chicago and President of the David

Principal speakers at the conference will include: -Sir Kenneth Berrill, Chairman of the Securities and Investments Board -Mr Rodney Galpin, Executive Director of the Bank of England -Professor Robert Jack, Professor of Mercantile Law at the University of Glasgow, and Partner in McGrigor Donald & Moncrieffs. -William Seidman, Chairman of U.S. Federal Deposit Insurance Corporation.

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Please send me further info	rmation regarding the above conference.
Address	



A beginning, but not absolutely right

Absolute Beginners directed by Julien Temple gh Noon directed by Fred

With a series of violent fits and spintters, pop video styles and spintiers, pop video styles are making if to the big screen. Julien Temple's Absolute Beginners, adapted by a bevy of writers from Colin MacInness novel about the rise of the teenage cult in post war Britain, takes that Inng-inest form, the movie musical, and tries to jolt some 1980s life into lt.

To the hlast of music by David Bowie, Sade, Gil Evans and others, and amid a Dayglo-coloured studie-built London that is like a rock Disneyland, we meet such MacInnes stalwarts as street-smart photo-grapher hero Colin (Eddie O'Connell), fashion model girl-friend "Crepe" Suzette (Patsy Kensit), gay couturier Henley (James Fox), lesbian ladykiller (James Fox), resulan range Big Jill (Eve: Ferret) : and advertising whizz - person Vendice Partner (David Big June William advertising Partner

MacInnes' novel runs his characters through a late 50s
England of emergent rock,
sudden teenage affluence and
a population at last able in a population at last able in throw away its ration books and go out into the bontiques. The novel reads less well than it did 20 years ago; mainly—and perversely—because the styles of music and clothes rhyme so closely with today's that the 50s rock culture and argot often merely seem like a paler blueprint for the 80s. There is also, more seriously, a whiff of yesterday's hypocrisies in aiso, more seriously, a whiff of yesterday's hypocrisies in Macinnes's writing. Though he himself was a homosexual, his first-person namesake narrator has a high old time pillorying gay characters while tending a none-too-convincing romantic flame between hero and hero-ine.

The film runs foul both of the book's homophobia and of its empty-hearted centre. James Fox, pursing malden-aunt lips and plying willowy wrists, and and plying willowy wrists, and Lionel Biair, camping it up in his leopard-skinned office as pop promoter Harry Charms, are fatuous stereotypes, unredeemingly played. And the hosts are, or why and how one his special line in heroic self-hosts are, or why and how one torners, his special line in heroic self-hosts are, or why and how one with strange ties blowing across

The translation of the second

jogs through 105 interval-less it she minutes, despite such interpola-pone.

charge), not in the original.

The resultant robust knock-



Lionel Blair, with teenage band in "Absolute Beginners."

noise and crowds for "Riot city."

The film's final transmogrification into race-riot apocalypse
—as Mosleylte agitators stoke
anti-black feeling in a pop version of Nutting Hill "58 — is
batty but spirited. And director Temple, veteran of legions of pope videos, has a while of a time with colour liters, crane movements and the whole pano-

Il Candelaio/The Pit

Martin Hoyle

On the evening that London Zoo had an Open Night in the Snake Pit, the Royal Shake speare Company presented Giordano Bruno's Candlemoker in the more resemblance to the assumes a welcome touch of its own nocturnal arena. The genre of Tearned comedy than genre of Tearned comedy than Frankie Howerd when recountered to the second to the second touch of the second touc

entertalnments were probably equal, hot I suspect the reptiles were prettier.

Seventy-five scenes have been trimmed, pruned and condensed. The sour 1582 comedy its seventy-five series in the series

it should look forward to Vol-

and the apparent general lack of motivation, apart from the

merely charges from one redhot production number to the
next. David Bowie practing
atop a giant typewriter for
"That's motivation"; Ray
Davies imping from room to
room in a cross-sectioned, doll's
house set as he sings the snappy
"Quiet life"; Sade batting
sultry eyelashes amid the disco
glow in "Killer blow"; and the
whole screen crupting in flames,
noise and crowds for "Riot

Andiences are still willing
to take a leap into the herolc
unknown with Gary Cooper in
High Noon. A man's gotta do
what a man's gotta do
in 50s Hollywood a woman's
gotta put up with it. The woman
in this case is Grace Kelly,
looking so beautiful in her
wedding day ghal rags that she
could stun a man at 40 paces,
without need for six-guns. Only
noise and crowds for "Riot

such a superhuman hero.

A new print struck from the original negative shows there is power still in this 1952 horse opera. Despite his resemblance at times to a stick of granite

tart and wife who takes her place to catch her husband out

(shades of Figure), making a positive figure as the naive lisper, and fiashily sumptious

in the off-the-peg imitation of Inign Jones original.

Oliver Ford Davies (magi-

cian) and Donald Sumpter (the slightly sinister manipulator

who wins nnt) also inhabit Liz

da Costa's seedy, sunbaked Italian street. The diminutive Anthony O'Donnell swaggers with hilarious fierceness in

voluminous cloak and beard; hut only David Bradley's beauti-

fully scrofulous alchemist strikes the right note of irre-deemable perdition cheerfully scrabbling in one of the outer

circles of bell.

AT LEAST

E200

knew when that picturesquely seething phiz would suddenly blow its top, scattering ashy fall-out all over your popcorn. "You dirty rat" Cagney never said, and he kept never saying it despite a thousand impersonators. But the processors when he was to be the seed of the as menacing with a pair of clenched nostrils as with a pair of clenched fists.

There were also, of course, lines that Cagney did say. Most famously: "Top of the world at times to a stick of granite suffering from constitution. Amously: "Top of the world Cooper sends you out of the friends—as all great stars do atop a tower like the demented brilliant Puck he was, his special line in heroic self-torment. That rock-hewn face, tween the anarchy of dancing and the anarchy of criminality? and personified the rhyme be-tween the anarchy of dancing and the anarchy of criminality? seen."

walls or to live in a zero-gravity world where lesser mortals can-

not join you.
It was for a dancing role that Cagney won his only Oscar, as George M. Cohan in Yankee Doodle Dandy. For that and for his high-fiying gangsters—in Public Enemy, Angels With Dirty Faces, The Roaring Twenties-he will be remembered. Bot I suspect that Cagney's greatest contribution to Hollywood, and to showing that the morie world can be a place of movie world can be a place of grace, dignity and even a kind of genius, was bis willingness to short up like a clam in front of interviewers. His work was his statement, Only bad actors and falling stars need to shore un their charisma wilb a stream of gabble. In Moviedom, the worst are full of passionate intensity, while the best get on with it and do what a star's gona do.

Another sad valete must be recorded this week. London's Academy cinema closes after a Eddie O'Connell and Patsy Perhaps in its next Great Leap it like cloud shadows, is as Academy cinema closes after a Rensit would scarcely power a populp toaster.

Wiscott than that for much Wisest, then, that for much of its 107 minutes the film disregards story and character and development altogether and Character to its back, and then free Zinnemann keeps framing it in close-up—quite rightly—and he also screws the story's tension to the ticking point, as 100 fictional minutes unfold in ments to Buster Keaton. Not not the property of the story's planists pound out accompanion to the ticking point, as 100 fictional minutes unfold in ments to Buster Keaton. When the property will be the property of the prop So minutes of screen time.

James Cagney's face was not so much Monument Valley, more Mount St. Helen's. You never make vital converts among ns make vital converts among ns to the power of far-finng filmmaking.

Lastly, Last Night At The Alamo, whose press show I was prevented from reaching by vagaries of public transport. I glimpsed and enjoyed 20 mincould stun a man at 40 paces, it despite a thousand impersonation of public transport. I without need for six-guns. Only tors. But the apocryphal line a man of superhuman self. became mythic. It seemed to denial could postpone his buil all the right muscles in honeymoon with ber for a climatic, and perhaps fatal, itself to the nasal snarl that shoot-out. But of course Cooper was his signature. Cagney was the only actor who could be jost snot a superhuman hero.

Nigel Andrews has been named "Critic of the Year" in the British Press Awards for 1985. The judges commended him for "making bis points from the film under consideration without seeking to

Music in Budapest

junctures; and with odd bursts

David Murray

the moment the festival had oratorio might make excessively ended; meanwhile the World bland material for Marko, Music Days, which the Inter-whose troupe is known for national Society for Contempo-athletic expressionism. In fact rary Music (ISCM) promotes in he took the precaution of intera different capital each year, lacing Lizzt with grim wartime overlapped both the festival and Shostakovich, at unpredictable

I had come for the ISCM performances, but regretted missing
the festival on this visit. It is audience was, I think, enrapalways a cheerful, overflowing tured.

Liszt figured in the first
floating in it in president many the new season. floating in it; in previous years World Music Days concert too: the concert fare has been under-planned, but the 1986 double plantst Adam Fellegi. His brief planned, but the 1986 double Liszt anniversary supplied a was to play not only some suituseful focus. There was a good ably forward-looking music by haul of Liszt rarilles before 1 the old Liszt, but the three arrived, and then Ivan Márcó's prizewinning pieres from last Györ Ballet brought their new year's International Composers' Competition, for which Lisztian piaco fantasies were prescribed. The Competition bas had better years; Fellegi delivered the pieces with sullen efficiency, not disguising their barrenness. Jesus, the Son of Mon—based on Lisat's oratorio Christus—to the Budapest Sports Hall. One of the iocessant ISCM cancellations (of which more later) left

me free to see it.

The show offered only a little narrative, and even less theology. Apart from Marko's Jesus — seen first as a priest with a bappy modern congregation who are suddenly machine-gunned down — there are small individual roles only for Mary, Elizabeth and John the Baptist. When not doing peaceable folkish dances, Marko's creatures rush wild and beadlong — but brilliantly regimented — from one group pose to another; the gestural style recalls Zurbaran.
This is muscular Christianity

indeed, and Marko is the centre of the cult, with his gift — nay, lust — for emananting raw power, majesty and satisfied suffering. It is a ballet about the Leader; it must be years since a dancer-director produced anything so selfaggrandising. Pace compensates for some want of choreographic variety, and the few stage-effects are simple and bold, but what I shall remember with a shudder is Marko's ineffable saintliness when walking on the water.

not so much a celebration of which the Hungaroton record-spring as a way of beguiling the ing of Christus was relayed time while waiting for it to was more than enough for it. arrive. Spring arrived this year. One had wondered whether the Chain 1. One plants! was unable, or disinclined, to perform Gerald Barry's Sur les pointes; another damaged himself when playing Beethoven, which killed two more half-programmes. The flu-ridden conductor recovered to appear in the final concert, but with Bartók's Concerto for Orchestra replacing two hig French and Danish pieces.

It seemed only right that the Bartók, which got a bang-up performance from the Budapest Symphony, should bave been delayed by a lost oboe (not an oboist) for 20 minutes. ISCM visiltors—not oll of them com-posers who had travelled from posers who had travelled from distant places to hear their works unperformed—bad beeo observing sourly that no Hungarian music seemed to have heen cancelled. That was surely pure chance, like the choice of uniformly wretched music (not Hungarian) made by the ISCM Hungarian Section for their chamber concert.

Though Gulin Corrado's win-ning Fantasy showed some finent imagination, nooe of the composers met the real chal-lenge, which is that a Lisztian But the level of performance veered dismayingly between polished commitment and inept floundering; and in the main concert hall of the venerable Zeneskadémia every voguish orchestral pianissimo exposed fantasy should sound wonderful on the piano. Liszt himself was not flattered by Fellegri's brusque and steely attack. From the second World Music the fact that every seat creaked, while in the recital ball every performance bad to compete against organ-practice and the Day, a plague of cancellations struck. The ISCM aims to bave an annual showcase for new music; its international jury "selects" some works and "in-vites" others—a subtle distinc-tion—from music submitted by like from outside.

For all I know, every ISCM get-together may be like that. Perhaps the overlap with the Spring Festival, and also the famous factionalism of the country to supply the performers and arrange the programmes. In hyper-musical sophisticated Hungary there should have been oo problems. In fact there was something approaching a debacle.

Long before the ISCM week began, some pieces had been abandoned because they required a chorus, or some gongs. The parts for a Belgian work had not arrived. A Polish quartet had cancelled, elimioating musical avant-garde in Budaaintliness when walking on tet had cancelled, elimioating rest of the World Music Days, he water.

The stadium is immense, but had flu, and was apparently week.

People Show No 91/Almeida

Michael Coveney

national juries and individuals.

hut leaves each year's host-country to supply the per-formers and arrange the pro-

In front of a red plusb curtain, a casually indifferent MC in a paper bat, hunch of Bacchic grapes stuck to a lapel, welcomes us to the new show welcomes us to the new show (the ninety-first since the People Show was founded 20 years ago). The curtain parts and Icarus is released from prison; daylight cells-him like a soft fried egg. The romance of Icarus and his girlfriend is

The action breaks nut over an astonishing motor-powered revolving set which contains such various locations as the Falkland Arms, where Icarus Arthurian apotheosis by dis-wins his lucky raffle and meets covering a sword in a grave-a Flanagan and Allen duo stone) and "Summertime" in of the late Roland Kirk.

whose crunching crisps become the audible tramp of soldiers' boots; an illuminated fair-ground ride after a day at Kempton Park; the cliffs and seashore; a seedy Brighton hotel in which Icarus is Is what marks the People Show humiliated by the staff and sent to his room by an armed commissionaire.

Icarus played by the resonant control of t

not quite far enough. She is a girl for all seasons, singing "Blue Moon" in the pub, "Stormy Weather" on the seashore (before Icarus achieves

a snow blizzard. The MC had warned us the sbow was full of weather - whether to leave, whether in stay . . . Mark Long is our host, never above cracking a bad joke. This is what marks the People Sbow

of Icarus and his girlfriend is lutely enigmatic Chahine the pretext for a surreal and varyon, is partnered by the unnerving scenario of jazz, murder, mystery, aggressive banter and pursuit.

The departure of Emil Wolk bas caused a weakening in the hnsky-volced Collette Walker company's dynamic. New as the girl who gets away, but recruit Jeremy Swift is more not quite far enough. She is a actorish than visceral, but he sill spation breaks but for all spation strains of the company's dynamic. ls a versatile musician, George Khan, bald and beatific as ever

is on hand with his battery of

Sir Peter Pears is dead

Sir Peter Pearse CBE died yesterday, aged 75, at the home in Aldeburgh he had shared for over 30 years with thelate Benjamin Britten, the compo-ser. It is doubtful whether any British male singer has had so long, versatile and infinential a career.

He was born in 1910 at Farnham, won a scholarship to the Royal College of Music in London, sang in the BBC choirs. the New English Singers and, in 1938, the Glyndebourne chorus. Intelligent musicians! -

Pears to be convincing in Britten and other eminent Peter Grimes and Albert Herring, which noe might have thought outside his natural scope. Definitely within his range were the sinister Quint In The Turn of the Screw, Captain Vere in Billy Budd and Aschenbach in Deoth in Venice.

Be excelled in the principal He excelled in the principal tenor roles of Mozart, and in subtle comedy—Vasek in The Bortered Bride, Pandarus in

Walton's Troilus. Sir Peter's protean concert

Pears to he convincing in Britten and other eminent

further afield.

He was a founder member of the English Opera Group, an active director of the Aldeburgh Festival and a pillar of the Britten-Pears School at nearby Snape, leaving his mark on the succeeding generation of English singers. His numerous appropriate trill paragraphone property and the succeeding generation of English singers. His numerous appropriate and the succeeding generation of English singers. gramophone records will per-petuate his individual peculiari-ties of timbre and diction and work, not only in recitals with his acutely musical style.

SANYO ELECTRIC CO., LTD.

tions as a speech on bawdry for Problems include the ram-the procuress and a comic bling anecdotal dialogue clog-aucide attempt (the rope ging the siender thread of plot, hreaks, pistois emit sooty dis-

The resultant robust knockabout, is not ton far removed
from an early Tudor interlude
—though the play actually predates Brum's sojnurn in
England where he knew Philip
Sidney and the ancestor (th

maintain the intellectual tone)

Performed by students, this of the owner of the theatre production would be respect-where The Mousetrap is play fully received as the hint of a ing, and where he put a charac-classical more read than acted.

where The Mousevrap is partially and where he put a character classical more read than acted ter called Smithn into one of his Bruce Alexander works with desperate energy as he lusts. The trouble is, this skinned,

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il's PER CENT. NOTES DUE 1990 NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, the Corporation will redeem on May 6, 1986 US\$4.000,000 principal amount of the said Notes. A further notice specifying the serial numbers of the Notes called for redemption will be published. Currently outstanding US\$43,000,000.

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WORLD TRADE NEWS

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Rocking to the Bank

years TSB Rock School Competition! And well done TSB for staying with what must be one staying with what must be one successful arts a mublic quotation may of the most successful arts sponsorships going.

sponsorships going.

For six years now it has organised the event in which school bands competed for a place in Wednesday's final and the possibility of walking away with a £2,000 cheque, equipment, and radio broadcast for the winning band.

This year there were 400 entries, and although most of the eight that qualified for the final at London's Camden Palace slipped into a predictable disco funk groove, with scarcely an aspiring guitar are bern in sight, it was a happy occasion. Most of the songs were original, and if the young ape their heroes in their self-conscious dance spots and their laid back electronic keyboard techniques. then that is the attraction of youth.

The attraction for TSB is that the event will dominate Saturday morning on BBC television. Over the years the competition has attracted 20 TV films, and although the cost of the event-around £150,000 this year-makes it one of the more expensive sponsorships, the pay-off is tremendous. It has the attractions that potential corporate Theatre. Watford, sponsors of the aris dream appointed artistic dabout; it is involved with youth; the Bristol Old Vic.

Well done Tom Hood Senlor it carries the company name; it High School in Leytonstone has longevity; it is unique to TSB; and it is a natural for years TSB Rock School Competition! And well done TSB for TSB has moved in a few years

towards a public quotation may have suffered a legal setback but it bas certainly succeeded in getting its name across, notably to the young. Last year nearly a third of the 400,000 school leavers who opened a banking account went to TSB. nearly dnuble the market share of the second-placed bank. The average balance may only be around £200, but time should better that.

It costs a lot to involve these potential customers — around £2.5m in promotional activity alone. Its publication TSBeor which mixes pop stories with financial soft sell, prints a million copies twice a year for free distribution through branches. TSB offers new through account holders discounts on records and cassetles with Virgin and clothes with Debenhams and Just-In. And it issues a 128-page paperback listing 20,000 holiday jobs.

New artistic director for Bristol Old Vic Leon Rubin, at present artistic director of the Palace Theatre, Watford, has been, appointed artistic director of

Breakdown of 1986 budget

total 33.315m Fous

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday April 4 1986

Tutu's call for sanctions

BISHOP Desmond Tutu of BISHOP Desmond Tutu of Jobanneshurg has posed a dilemma for the opponents of apartheid outside South Africa with his public call for punitive sanctions against the Pretoria Government.

If they ignore him, they run the risk of letting President P. W. Botha and his men jump to the conclusion that the out-

to the conclusion that the out-side world is not aerious in its opposition to apartheid. If they take him literally, they may stir up an already unstable sit-uation in South Africa without furthering their cause. They would also be unlikely to get together concerted and effective

action.

Creat political skills will be needed to navigate between these twin dangers. The dangers of failure are obvious: more strife with no guarantee that the end result will be the replacement of apartbeid, or at

any rate its replacement by a more acceptable system. The Anglican hishop's call for radical sanctions has to be Judged against both long term trends in South Africa and more recent events. Over the long term, white supremacy has been wbittled away es an increasing number of blacks entered the industrial economy. Their importance has been growing steadily both as producers and as consumers. Without their contribution South Africa could not bope to keep on a long term growth path

Economic role

Under the impression of the growing economic role of blacks the Nationalist government hes chipped away at some of the more obvious Irritants of apartheid, without bowever abandon-

ing the hasic etructure.
Of late that process has been speeded up by pressures build-ing up both within the Republic and outside. Within, violeoce in the black townships was stoked up by the unemployment accompanying economic recession. From outside, the refusal of

money, but South Africa still looks a very much better risk than many other borrowers on the world scene. What did cause something very different: the increasing restiveness of share-holders and depositors in the US. It was their refusal to acquiesce in further lending to South Africa that helped to make up the hankers' minds.

Outside pressure

Their decision helps to explein the difference in tone and conteuts hetween President Botha's speech last August, when he disappointed all those who had hoped for a programme of reform, and that in January of this way which the second speech is the second speech t of this year which promleed constructive, if limited, change Mr Botha'e change of mind shows that outside pressure must be kept upon bim and the white supremacy system. He, personally, may be convinced, however reluctantly, of the need for reference. for reform. But it is essential that his white electorate should

apartheid has aroused in the outside world.
Doing so does not require full scale "punitive" sanctions—wbatever that means in detail.
Radical sanctions would remove all hope of economic progress in South Africa which bas provided the base upon which the blacks have been eble to in-crease their role in eociety, however slowly. Punitive sanctions would also drive many whites into the laager mentality. The beleaguered do not usually act reasonably.

be kept aware of the enmity that

The entire question of sanc-tions has been studied by the group of eminent persons appointed by the last Common wealth conference to report next June. The Idea of their mission was born of the need to smooth over the differences between the desire for all-out aanctions of many members of the new Commonweelth and the British wish to keep action to From outside, the refusal of a minimum. It would greatly international bankers to go on lending to South Africa greatly increased the heat.

The banks had some prudential reason for refusing more in the report, when it comes, were to advise a middle way. malotalning steady pressure without going the whole that reason for refusing more

Why industry matters

select committee chaired by Lord Aldington created quite a stir by suggesting that, unless something is done quickly to improve the performance of manufacturing industry, Britain will face a hleak future as oll revenues decline. The report did oot please the Covernment because it seemed to show little respect for market oriented. respect for market-oriented economic policies; iodeed in some circles it is regarded as a prime example of the sort of "do it yourself' economics that Professor David Henderson, this year's Baith Iodennessor year's Reith lecturer, recently railed against. The Chancel-lor went out of bis way in hie Budget speech to pour scorn on its analysis, arguing that most of the alarm is misplaced.

Lord Aldington will doubtiess be gratified that another DIY economist of come atature has Surfaced. In his Richard Dimblehy lecture delivered yesterday, Sir John Harvey-Jooes, the chairman of ICI, produced a strikingly similar appraisal of the weaknesses of similar appraisal of the weaknesses of British industry, similar grim forebodings of what may happen if attitudes do not change and similar policy recommendations. Thus Sir John maintains that industry (by which he means manufacturing) is of "vital" importance to every man, woman and child and that, in the UK, it is fast hecoming an "endangered species." He does not share the hecoming an "endangered species." He does not share the view put forcefully by Sir Alan Walters, Mrs Thatcher's former economic adviser, that Britain is enjoying an renaissance."

Social aspirations

All this is confusing for the Man on the Clapham Omnihus. Man on the Clapham Omnihus, How can a large number of respected industrialists and a school of equally respected economists appear to disagree so profoundly both about the coodition and prospects of the economy and about the path to a better future? The Chancellor, after all is guita relared about after all, is quite relaxed about the UK's long-term future: his line is that all economic activity matters and that no special emphasis should be laid on the manufacture of tangible goods. He argues that as oil runs out. other tradeable goods and services will automatically expand to plug the gap in the balance of payments.

So long as the exchange rate is allowed to adjust, the belief in "automatic adjustment" is justified, but only in a trivial sense. What matters, of course, is not whether the balance of payments balances (as it must) but at what level of output and employment it halances. If manufacturing industry con-

tinues world standards, output and employment will be lower than would otherwise be the case, end a weak exchange rate will ration the quantity of imports the Britiab public can afford to purchase. What Is indisputable, as Sir John argues, is that future living standards in the UK—the ability to meet our "social aspirations"—will depend in large part on the performance of manufacturing industry.

—partly because it is in-extricably linked with knotty questions about foreign invest-ment and rights of establiah-ment—and it would be foolish to rely upon rapid reform.

Dismal image

The worry about manufacturing has little to do with the decline of oil: the problem is that for two or three decades mports have growo steadily faster than exports. And since 1973, unlike any other industrial nation, Britain has experienced an absolute decline io maoufacturing output — not simply a contraction of its share of the economy. The queetion is what to do about this. Sir John, like Lord Aldington, lays considerable stress on what can considerable stress on what can only be described as "eociolo-gical" factors.

Manufacturing, he believes, must be made attractive to the young and talented. This is not just a matter of pay hut also of image: manufacturing must become something that cultivated intellectuals want to do.
The dismal image of dirty
factories conjured up by a
painter such as Lowry has to be painter such as Lowry has to be exorcised and replaced with something hright and clean. Few are likely to take issue with Sir John's "artistic " case for industry. But eyehrows may be raised at whet he failed to say in his lecture, ft is odd to say the least that the chairman say the least, that the chairman of ICI Ignored almost all of the Government's economic preoccupations. Don't consult the Dimhleby lecture if you want,

to perform poorly by

of manufacturing industry. The performance of service industries will also matter, but perhaps not so directly. The reason le that services are less relevant to the balance of payments. It is still the case that a comparatively small proportion of carriers are tradable. The of services are tradeable. The scope for a huge increase in service trade looks limited for two reasons. First, contrary to popular belief, the UK is not that good at services: It is losing its share of world markets faster In services than in manufacturing. Second, there is still considerable interostional resistance to free trade in services

for example, to learn how to liberalise markets or make wages more flexible.

The crisis that never went away

N JANUARY I, 1986, the member states of the European Community raised the level of eubscriptions to their club. Barely four weeks later, they got the first inkling that it

EEC spending

got the first inking that if might not be enough to pay for the soaring running costs of the organisation.

Today, just three months later, they know: the EEC budget crisle ie back with a vengeance. It should by now have been at least temperative.

have been et least tempoperily resolved, but in fact it never really went eway.

If the atark figures spelt out

by Mr Henning Christophersen, the Budget Commissioner in Brussels, prove anywhere near the mark, then spending cuts will almost certainly have to be ordered before the end of the year. They will have to come community programmes such as social and regional spending on youth training and joh creation, or from industrial research programmes, quite apart from seeking to restrain the real culprit, the Common Agricultural Policy.

The figures also suggest that the much vaunted eystem of hudgetary discipline agreed by EEC finance ministers in 1984 to restrain the growth of community spending end, particularly, to keep the growth in agricultural spending helow the overall growth in EEC revenues, is proving all too

easy to breach.
In essence, Mr Christopbersen listed et least Ecu 2.9bn (£1,9bn) in extra spending likely to be required—against only Ecu 2.5bn left within the celling on budget contributions legally evailable from the member states. This week he disclosed that the best here the contributions is the contributions of the contributions of the contributions. disclosed that the shortfall in cash for the structurel fund alone—mainly the social and regional funds—now totals Ecu 1.169bn (£740m) for the current year.

While Mr Christophersen was danger, the British Government was asking the European Court munity as a whole. in Luxembourg for an injunction to withhold some £75m in must answer the hudget contributions this year.
It argued that the spending approved by the European Parliament was illegal, to the tune of some Ecu629m (£409m) in the Ecu33.3hn budget.

Back in Brussels, the finance ministers were dehating where could and should afford

After rows over unfair edver-

tisements, poison pill defencee and general takeover skulldug-

gery, comes a new hid tactic which, for the moment at least,

seems refreshingly free of con-

troversy: the recorded telephone

WOOLWORTH ??

PAY HERE!

"I'm not allowed to accept

takeover bids unless they're in a wire basket and with a

Chairmen

on call

to fix the celling on 1987 spending in line with "hudgetary dis-cipline"—in splte of the fact that their 1986 ceiling is already

On the face of it, the European Community and its institu-tions, like the European Com-mission and the Parliament,

For a start, the Community is no more than the sum of its 12 members, and its budget is a direct consequence of their policies. The Commission is merely the hureaucracy which tries to put their policies into effect (although it can make a few suggestions). The Euro-pean Parliament is a sop to democratic control which, in reality, can add only a small amount of extra spending at the margin: it cannot tamper with the vast hulk of the hudget, and ahove all with the farm spend-

duct of years of botched com-promise in the Council of Ministers, the decision-making body of the member states, and of a failure to co-ordinate the policies of the different national departments involved.

The council perpetuates the legal myth that it is somebow united and indivisible. In reality, it is a machine of ill-fitting cogs. often working in competition rather than co-ordination ordination

junior treasury ministers who have been known to make wild and foolish compromises in the early hours in the faint hope of getting to bed. This already flawed system

warning EEC finance ministers now the budget has become the last month of the approaching main arena of policy debate On the one hand absorb two-thirds or more of available money. On the other, it is a matter of deciding what new policies the community

badly punctured and will even-tually be blown wide open.

would seem to be hopelessly spendthrift, restrained only by the valiant efforts of the 12 member states. The truth inevitably, is rather different.

Ing.
The budget crisis is the pro-

The unhappy consequence is the annual hudget—invariably negotiated through the night by

has had to contend with the persistent strain on total cash resources of recent years, and over the future of the com-Common Agricultural Policy, so support for farm prices does not

can we not discuss the future of the community instead?" To

The seeds of the present budget crisis lie several years back, as the community grad-ually approached the ceiling on its income available from the member states. At that time it

In the corridor outside the finance ministers' meeting last month, a senior diplomat was heard to bewail: "Why do we he meeting the problem when he presented his have to conduct these inter-minable budget dehates? Why can we not discuss the future of the community instead?" To which a senior commissioner proposed savings to be found replied: "Because it is the from much tighter management future of the community." of the main markets, and a tax on cereals producers, total spending would still go through the "hudgetary discipline" ceiling set by the finance ministers. The first problem is that the member states. At that time it farm ministers are unlikely to was fixed at the so-called I per accept the price package; as it cent value added tax ceiling stands — especially since the (a theoretical formula involving arrival of Mr Francois I per cent of the volume of Cuillaume, the new French retail sales in each member farm minister, has brought a

6The Council of Ministers perpetuates the legal myth that it is somehow united and indivisible. In reality it is a machine of

ill-fitting cogs. 9

By Quentin Peel in Brussels

EEC budget - the background picture

Build up of outstanding

commitments

state of a common basket of firm and furious defender of goods and aervices). farm incomes into the council.

To eke out the cash, the More immediately ominous, goods and aervices). To eke out the cash, the budget ministers learned tricks for postponing spending from one year to the next; of building up long-term commitments but cutting back on immediate meots; and finally, in 1984. f agreeing on a once-off reimbursable advance" of money from the member states to fill the gap.

By January 1, 1986 when the AT ceiling was raised from 1.0 to 1.4 per cent, they were, in effect spending at almost the new level. It was inevitable that the increased resources would be exhausted all too quickly

-The immediate problem has three main elements. The biggest is, inevitably, the must answer the question of ing partly the result of the how and when to reform the falling dollar's effect on export subsidies for farm products and partly because of the increasingly desperate need to get rid of the accumulated surplusea of cereals, butter, beef and wine, to name only the most

however, is the effect of the falling dollar. When Mr Andriessen first spoke, it stood et Ecu 1.12, compared with the Ecu 1.2 assumed in the 1986 budget. Over a full year, that would mean increased costs in the shape of extra export subsidies to self EEC farm products totalling some Ecn 750m, the dollar averages less the Ecu_1.02 to which it fell last month—the extra cost would double to about Ecu 1.5bn.

The other hage cost is thet of disposing of some of the food mountains. Mr Andriessen is looking for some Ecu 1.155bn receipts from the EEC budget to finance the destocking pro(£750m) just to get rid of old in 1985 were less than planned gramme;
beef and butter stocks in the As the UK gets an antomatic Mrs Thatcher, Sir Geoffrey course of the year. The big unreduction in its budget contribution that process is what tions amounting to two-thirds and Mr Nigel Lawson, the Chaneffect such a luge disposal pro- of its net contribution—thanks gramme—of 270,000 tonnes of to the budget deal negotiated by butter and 200,000 tonnes of Mrs Margaret Thatcher at the heef—would have on world Fontainbleau-summit-in 1984 market prices for normal EEC the amounts have to be paid.

The net consequence is that will be the British government agriculture alone will probably in the chair of the community

soak up in the order of Ecu 1.5bn from a supplementary budget—assuming the farm min-isters accept the rest of the The second element in the overspending is at least Ecu

overspending is at least Ecu 800m to pay for what has been christened the "burden of the past." That burden is the huge backing of unpaid commitments on social and regional fund projects—a backing now so large that it may force cuts in new spending schemes.

The build-up is a consequence of an unhappy compromise be-tween the budget ministers and the European Parliament in recent years: they have agreed to cut back current spending on these projects only if extra long-term commitments are written into the budget. But those commitments bave a current cost. A down-payment has to be made of up to 50 per cent in the case of Social Fund projects and rather less for the Regional Fund.

Now the commission is months behind in paying off bills for past projects and also short of cash for down payments on new schemes, to the tune of the Ecu 1169bn, ft says.

The Council of Ministers may well be asked either to reduce the fixed level of down pay-ments for Social Fund projects, or to cut back the scale of new commitments already written into the 1986 budget, directly hitting those concerned in the depressed regions of the community.

The third element in the supplementary budget could prove the most embarrassing for Britzin: it is at least about Ecu 600m needed to pay for an increase hudget rebate—or abatement, as British officials

. The embarrassment is that it

which actually has to sort out the whole mess—the extra spending needed for 1986, some-how keeping the 1987 budget within the VAT ceiling as well, and also pushing through the ever more urgent reforms of, the CAP in the face of a much

structural policies

(social, regional & farm) 5,606m

3.159m

and industry

more hostile French govern-It is a problem which will aggravate all the traditional political divisions in the com-munity. Already, the northern states, determined to keep EEC spending under strict control. have made ft clear there is no ouestion of any increase in the VAT ceiling before 1988 at the earliest—if then. Mr Gerhard Stoltenberg, the West German Finance Minister, has flatly stated that any new policies which would cost more money

are out of the question . Yet the area which looks most likely to be hit—social and regional spending—is just the one which the poorer member states in the Mediterranean (and Ireland) demand as a quid pro quo for relaxing their national barriers to a genuine Common Market. If the north wants a Common market by 1992, it will have to he paid for,

. Ways out of the maze are none too obvious. Clearly the community needs much more co-ordination in the Council of Ministers, and fer greater emphasis on long-range budget planning. The former is partly up to the nation in the chair. The later is in the pipeline, with Mr. Christophersen, this, week persuading his colleagues to accept a foor-year plan.

As for sources of more cash, one idea of a new energy tax, hoated very tentatively by commission president Jacques Delors recently, ran into a brick insist on calling it. Part is owed because Britain's VAT confriends wall from the Twelve. The other butions in 1984 were higher than area, being explored in desperation as much as hope, is the expected because of a change tion as much as hope, is the in collection procedure; part is greater use of community borontstanding because Britain's rowing — among other things

cellor of the Exchequer face a very real challenge to their chairmanship when the budget crisis matures just in time for the British presidency. If it were not so serious many in Brussels would enjoy the pro-

1274 : 1276 : 1286 :

3.

CHRISTIE'S



Following the successful relaunch in 1985 of our City wine auctions, Christie's are now holding another wine sale at the Institute of Chartered Accountants on Tuesday 8th April 1986 at 12.30 p.m.

The sale will include good Claret, Burgundy, everyday drinking wines, vintage and non vintage port and cigars. Two further 1986 sales are planned:

Tuesday 1 July and Monday 3 November

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Men and Matters

message from the chairman. Advertisements, appearing in had produced 2,500 calls. national newspapers this week, have invited sharebolders in Imperial Group to ring a certain oumber and hear Geoffrey Kent, the company's chairman, and Sir Hector Laing, who heads United Biscuite, explain in a recorded message why investors to have playing equipment, and it's a hit more exciting for the caller," said Imperial. It added that yesterday alooe it received should support the proposed merger between the two. Mean while, on acother number. Lord Hanson, chairman of Hanson Trust, can be heard asking shareholders, with hrisk courtesy, to back bis rival hid for Imperial.

that yesterday alooe it received 5,700 calls, though one or two shareholders were upset that they only heard Mr Kent'a recorded voice and had not spoken to bim in person.

Investors who ring Lord Hanson beve to pay for the call. But as from yesterday, Imperial has introduced a "freefooe" service. "We think it right that this should be at the company's expense." said an Imperial spokesman. "Free advice is poor advice," countered the Hanson camp sourly. Could this be the makings of a controversy? It is thought to be the first time this means of putting a message across to small share-bolders has been tried in a takeover — at least in recent years. Credit for the initiative goes to Hanson Trust, which placed advertisements in two newspapers last Sunday. It says that hy midnight on Tues-day those advertisement alone

Capitalist plot

Here is a tale from the para-noid tendency in British politics. A ginger group in the Communist Party reckons that Lenin would be spinning in his grave if he could see how soft the party has become

- known affectionately as "tankies" - are responding in the traditional way. They are saunching a new magazine, with the catchy title of Communist Campaign Review.

Campaign Review.

So far, so familiar. But you heve to read as far as page 45 of a "tankie" pamphlet on the issue to discover the real reason for this addition to our choice of political reading.

the party has become under its Eurocommunist leadership. So the Communist hardliners

well, an MSc course at the London School of Economics. "I did a lot of jumping on and off the tube trains to fit it all

two books. It is a response to Marxism oday, the respected Eurocommuniet journal, from which

Imperial had been planning to mail an audio tape to its shareholders but quickly switched to the telephone when Hanson began its service. "It's cheaper, less fiddly than a tape, which requires the chareholder fore, do everything in their Cuardian and the FT writing articles for Marxism Today."

Marxism is noticeably absent

fore, do everything in their power to assist and promote it. The evidence for this conspiracy? — "Thus we find hordes of journalists from the

Model banker Credit Suisse First Boston be-

lleves in giving youth a crack at the helm. at the heim.

The bank's new senior UK economist is to he Ciles Keating, aged 30, who has been wooed away from the London Business School.

John Hennessy, chairman and chief executive officer of CSFB says be regards Keating "as one of the UK academic community's most highly-regarded economic commentators."

Certainly Keating has aiready packed into hie short career rather more than some economists manage in their lifetimes.

After Westminster School and

After Westminster School and St Catherioe's College, Oxford, he worked for the Confederation of British Industry on its industrial trends survey and economic forecasts.

When he moved to the Lon-don Business School as a re-search fellow at the school's centre for economic forecasting he managed to squeeze in, as in" he says.

He also found time to write

At the LBS Keating has been developing his own econometric model to assist his specialisa-

tion of financial forecasting, and the study of flows of funds. His interest in measuring the UK's expected performance against the rest of the world should come in handy at CSFB while oil prices continue to

Flower power

Japan is under a lot of pressure these days to spend more on itself and stimulate its domestic economy. As a result, it should be no surprise that Japanese

be no surprise that Japanese companies are turning to UK groups for edvice on how to live more elegantly.

Salyo Corporation, part of the large Selhu retailing group, has, for example, sought the aid of the Royal Horticultural Society for ways to beautify its bousing developments and landscaping projects. Following a recent visit to Japan by Christopher Brickell, director general of the RHS, the two groups, have joined hands in a board-ranging gardening venture.

gardening venture.

The two plan to work together to develop a nature park in Akagi, about one and a half bours drive from Tokyo, in addition to other projects. One of the flowers to be planted there will be Enbury states, a plant which was bred in England from a Japanese strain of stales. With cross-fertilisation like this, who knows what may be next?

Big deal

Anxious observers of the US motor trade'e thumping deficit with Japan can take comfort from a press release winging to my desk all the way from Toyota's Tokyo office. In a move clearly designed to dampen the fires of protectionism. Toyota says that as part of its "energetic promo-tion of imports" it has taken part in a major US trade show. undamental decisions have

Observer

Wine Auction

In the space of a few days, US forces salled challengingly through Soviet waters off the Crimea in the Black Sea and provoked an exchange of fire with Labya in the Gulf of Sirte. American belicopters, in scenes reminiscent of an earlier fil-fated conflict, ferried Honduran troops to defend their border against Nicarague; and it was revealed that Washington was beefing up the anti-Communist rebels in Angola and Afghanistan with sophisticated Stinger

anti-arcraft missiles.

Mr Reagan, it is believed,
wants to step up pressure on the
Nicaraguan Sandanistas by sendring similar weapons to the Contra rebels as soon as he gets the go-shead from Congress. Meanwhile, despite the so-called "Spirit of Geneva" established et last November's superpower summit, relations with Moscow bave been allowed to drift into irritability and uncertainty.

In Washington, some people have read into this sequence of events a Sea-change in US policy, a concerted move to global activism now that the Reagan Administration thinks that it has "got Moscow on the run." And it is true that the more hardline officials, and conservatives both inside and conservatives to the inside and conservatives both inside and conservatives to the conservatives both inside and conservatives to the conservative to the conservativ servatives both inside and outside the Administration, would like to believe this and, indeed, there is something in the

analysis.

But the truth is not quite so dramatic. All of Mr Reagan's latest actions stem from longheld beliefs, and policies that have been in place since he entered the White House in January, 1981. Mr Reagan has always made it clear that he intends to stamp out Communism in Central America, confront the Soviet Union in the Third World and take as many swipes as he can at Colonel Gadaffi. What has happened in the last two weeks is that a number of these long-simmering issues have come to a head at the same time.

Most Administration officials are the first to dony that it was, at least in the expenditure of the the official so minst of the world, on the right wide in both cises. And it is now confident enough to pursue the approach by taking a tougher line with for example, Chile's right-wing dictator. President Hugusto Priochet.

A memorandum sent to Congress last mouth realismed the Administration's long-held view that it was, at least in the eyes of minst of the world, on the right wide in both cises. And it is now confident enough to pursue the approach by the right wide in both cises. And it is now confident enough to pursue the approach by the priochet.

A memorandum sent to Congress last mouth realismed the Administration's long-held view that it was, at least in the eyes of minst of the world, on the right wide in both cises. And it is now confident enough to pursue the approach by the priochet.

A memorandum sent to Congress last mouth realismed the Administration's long-held view that right wing a tougher line with for example, Chile's right-wing dictator, President Hugusto Priochet.

A memorandum sent to Congress last mouth realismed the Administration's long-held view that right wing a tougher line with for example, Chile's right wing a tougher line with pursue the approach by the same than a subject of the same to confident in the same that the same than a subject with the same than

Most Administration officials abuses by either are intolerable to Americans.

For Mr Reagan, however, that are the first to deny that there is any "grand design" or broad

Reginald Dale looks at the aggressive turn in US foreign policy

National Security Council, increasingly Mr William Casey's Central Intelligence Agency and when military or strategic matters are involved, the Joint Chiefs of Staff. Sometimes one power centre or coalition wins,

Mr Reigan's foreign policy, We Reight's Toreign policy, whether on South Africa or the Philippines, has tended to be reartive to events. Although anti-Communism provides a broad underlying theme, individuel decisions have been largely of hoc. That does not appear to have changed.

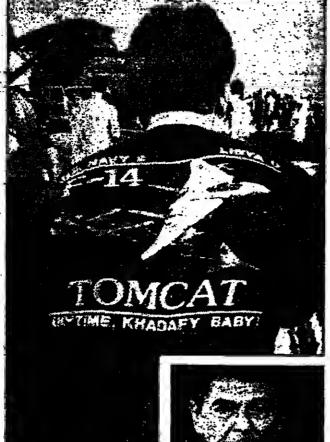
As the Administration's critics have been unick to point out

have been quick to point out in recent days, there has often been little evidence of clearly thought-out longer-term objec-tives—whether it be in sending the US Marines into Beirit in 1983 or ships and planes into the Gulf of Sirte in 1986. What does seem to have changed recently is the climate in which such decisions are taken. There is a new air of self-confidence in Washington.

Part of this undoubtedly stems from the ousting, in quick succession, of dietators in Haiti and the Philippines, for which the Reagan Administration is the Reagan Administration is claiming exaggerated credit. It believes that the withdrawal of US support for the fallen dictators at the psychological moment, and the provision of US aircraft to fly them out, were instrumental in the restoration of freedom.

But however much credit is, or is not, due the Reagan Administration has no doubt that it was, at least in the eves

is any "grand design" or broad new strategy in the works. Indeed, it would be surprising if there were. A coherent US foreign policy has been the exception rather than the rule over the years, and one is normally only constructed when there is a dominant central has less than three years left policy-maker in Washington, in the White House to achieve his aims and put his stamp on histofy.



Reagan's new 'freedom tide'

rebuilding America's military strength and "bolding the line" against Communism—most notably in El Salvador, Now, in his second term, a stronger United street of the enemy,"

It has been a basic tenet of this in the rebel cause, not setting out in a new direction.

The enemy, "

It has been a basic tenet of this ing the US more closely with michar balance between the superpowers, Soviet expansion—is in a new direction.

Now that the US—at least in Communism—and did not superpowers, Soviet expansion—tain and ultimately defeat that expansions by supporting and arming the anti-Communist from the ourset."

That is how Mr Reagan sees that Mr Gorbacher will in the come to a second summit, because it is in his interest to do so.

But Mr Reagan in any case has a fall-back position, If be does not so down in history as a peace-loving President who for solving the world's major problems like Southern Africa, the superpower and the cause out regulally happy to go down as a president who stood up to Communism—and did not compromise US interests for the sake of smooth relations—a superpower, and the Soviet transfolius by supporting and arming the anti-Communist expansionism by supporting and arming the anti-Communist widely noted in Washington.

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But Mr Reagan in any case has a fall-back position, If be down in history as a peace-loving President who stood up to Communism and did not Communism—and did not compromise US interests for the sake of smooth relations—a superpower, and the Soviet that the sum of the last supporting and arming the anti-Communist expension of the superpower, such forces with Stingers, highly such forces with Stingers in any case for solving Pres the Nixon years.

In today's Washington, it is the properties of the business as usual Decisions are thrown up, often there has not been a change of expansionism by supporting and haphazardly, from the cauldron of competition between the major power centres—the State Department, the Pentagon, the Reagan Isid the groundwork by line of the ideological battle.

more than routinely over the US fleet's activities either off the Crimes or in the Gulf of Sirte. It certainly did not come to the aid of its client, Libyz. Nor did Washington expect it

Because the State of the state

Mr Reagan cares even less when he is irritated by the Soviet Union. He is now annoyed by Mr Mikhail Gor-bachev's refusal to set a date for the next superpower summit in Washington, and his continuing attempts to score public propaganda points. Thus Mr Reagan bad no hesitation in immediately rejecting the Soviet leader's weekend call for a meeting in Europe to negotiate a nuclear test ban an offer that Washington regarded as little more than a spoiling tactic designed to embarrass the President. Mr Reagan, again with his eye on history, would like improved relations with Moscow, and an arms control agreement, provided—a hig proviso—that he can have one nn more nr less his nwn terms.
But the new self-confident
mood in Washington is
encouraging Administration
officials to be even franker in

spelling out that this is not to inhibit US behaviour.

"The message," says one senior official, "is that we want better relations with the Soviets but we're not going to stop doing things that are in our interest just because the Soviets don't like it." That applies as much, for instance. to continuing nuclear testing and expelling over one third of Moscow's United Nations diplomatic staff, as it does to

clashing with Libya and arming the freedom fighters.

Some people in Washington are comparing this "two-track" approach to that of Mr Nixon before the 1972 superpower summit, when he resumed the harming of Harming and mindbombing of Hanoi and mined the bombing of Hanoi and mined Haiphong barbour while Dr Rissinger continued to talk to Moscow in the private "back channel." The Reagan Administration certainly still believes that Mc Corbacher will in the that Mr Gorbachev will in the end come to a second summit, because it is in his interest to

sound like apologists for Col-Gadaffi, or criticise a glamorous display of American military prowess, however, concerned they may be about the risks inherent in sueb derring-do.

A Newsweek poll this week showed 75 per cent of Americans agreeing that use of force against Libys was justified. Over ball (56 per cent) said that Mr Reagan "makes wise use of military to said force against Libys was justified." forces to solve foreign policy problems."

They would not have said so if there had been significant American casualties. Indeed, it is the fear that American troops will be sucked into Central America in the bloodshed of "another Vietnam" that is the main reason for the continuing main reason for the continuing popular opposition to Mr Reagan's Nicaragua policy. Many of Mr Reagan's critics believe that by practising a policy of limited force, he is setting foot on a ladder of escalation that will lead to wider war and increasing US

One of the main points of the "Raagan doctrine," how-ever, is that it is meant to send only pon-Americans into comhat Thanks to the new genera-tion of "smart weapons" that can attack targets over the borizon, Mr Reagan can indulge in operations like that in the Gulf of Sirte without too much risk to American life.

Similarly, he can project American frepower around the American arepower around the world by equipping the "freedom fighters" with Stingers. In neither case does he have to commit American ground troops—a move that he is far too skilled a politician to want to contemplate. It is a measure both of America's military sophistication and of the limits of his power. of its power.

As Time Magazine aptly defines the new US rules of engagement: "American boys should not be seen dying on the nightly news. Wars should be neer in three days or less, or before Congress involves the or before Congress invokes the War Powers Act. Victory must be assured in advance and the American public must be all for it from the outset." That formula may fit isolated

Lombard

Drawing the line on cold calling

By Barry Riley

creation of a "shareowning democracy" through bis promotion of so-called Personal Equity Plans, he is not at all on the same wavelength as the Securities and Investments Board, the new financial services regulatory body. New draft rules on selling to

New draft rules on selling to private investors, devised by the SIB and its offshoot, the Marketing of Investments Board Organising Committee (MIBOC), continua in draw a very firm line between life assurance and securities. The only substantial change from the existing practice is that unit only substantial change from the existing practice is that unit trusts have been given the same treatment as life assurance—a logical development when there is no longer a special tax advantage for life policies.

Participation

Life and unil trust salesmen are therefore free to engaga in cold-calling—whether door-to-door or by telephone—to generate business. Securities salesmen, however, will con-tinue to be hanned from such activity under the new regula-tions, as they have been since the 1930s. Indeed, they could he even more constrained than hefore, since they will now have to gel investors to algu a customer agreemant letter, which is renewable annually, before they can call. These marketing regulations

effectively guarantee that small investors will continue to have minimal direct participation in the stock market and will be sold pooled products instead. The marketing effect will swamp the minor tax reliefs offered by Mr Lawson to get Personal Equity Plans off the ground.

The power of the life assurance industry and the lack of interest by the Stock Exchange explains why the status quo is to be perpetuated in this way. Life offices and intermediaries Life offices and intermediaries would be in uproar if their traditional selling practices were choked off and few Stock Exchange member firms are really interested in hard selling to the general public, preferring more congenial and profitable ways of earning a living.

WHILE Mr Nigel Lawson licensed dealers which would appears to be attempting the seize any opportunity for cold friends in regulatory circles. But, at a time when the regulatory framework is being rebuilt, it would be better to decide whether cold calling is or is not an acceptable practice and apply the judgment across the board without discrimina-

> All that Mr Mark Weinberg, Miboc's chairman, will concede is: "Some years down the line, when stockhroking has changed its face, wa might find it appropriate to change the dividing line."

Apart from the fear of setting loose teams of salesmen irresponsibly pushing Unlisted Securities Market and over-thecounter stocks, there are two
arguments for hanning
securities selling through cold
calls. One is that the products of life offices and unit trust of life offices and unit trust companies are regulated by the Department of Trade and Industry. The other is that excesses perpetrated by cold callers are controlled by cooling off provisions which give investors 10 days—and in futura 14 days—to have second thoughts about a life assurance

be less easy with share purchases, because prices would fluctuate and buyers effectively have a free option on the market.

Extension

However, it would surely be possible for the SIB to regulate the types of shares that could he sold — permitting market leaders hot not OTC speculations, And the second problem of variable prices has been solved for unit trusts, so surely a similar approach could be a similar approach could be devised for individual equities.

This is not a plea for the indefinite extension of cold ealling. There are strong arguments for banning the practice altogether but if it is to continue it should not be controlled in a way which rigs the market artificially in lavour of certain forms of investment. Instead of devising intricate

schemes in cahoots with the Inland Revenue, Mr Lawson would do well to examine this In practice, it would be over-the-counter operators and other to his "popular capitalism." much more substantial obstacle

FT/4/4/C

的哈哈拉马江红

Profit sharing problems

Copeman Paterson Sir,—The Chancellor's pro-posal for using profit sharing post for asing profit sharing as a meths of creating a flexible, pay system is easier to apply in a country with generally higher profitability. If a company has profits equal to employee pay, then an incentive bonus of 10 per cent of pay absorbs 10 per cent of profits. A lot of companies in Britain have profits of only about 20 per cent of pay. In this case a bonus equal to 10 per cent of pay absorbs 50 per cent of profits. Before considering, therefore, whether a flex-ibla pay system can be intro-duced which goes down as well as up, we need to look at whether the profits can be generated in big enough quan-tities and shared on an accept-

able basis

The problem of using the much profit for employee bonuses can be overtome by varying the tate of profit sharing according to the level of profitability. The trouble with this, however, is that if the scale of payment for different levels of profitability is fixed, it will quickly go out-of-date in a rapidly changing economy and pay either absurdly high bonuses for poor results or ridiculously small bonuses for good performance. That problem can be avoided if the scale is re-set every year. This, bowever, leads to endless arguments between management and employee representatives, with the management being accused the management being accus of continually moving the goal posts. Unless the whole scheme is based on self-adjusting norm principles it will be counter-

There should be a mixture of both each and share schemes if firms are to be allowed to grow sufficiently out of reinvested profits. Employee shares are a stake in the capital of the business, as compensation for exercising pay restrains when a firm is successful, so that it can grow. Shares are the means by which employees can properly come in on a business success story without raiding the till, for the profits used to acquire hew issue shares for employees are reinvested in the business tax free. George Copeman. 10 Buckingham Place SW1.

productive.

Personal pension plans

From Mr A. Hunter-Blair. Sir,-Eric Short's article of March 22 is about the Chan-cellor's intention "to give personal pensions the same favourable tax treatment as is currently enjoyed by retirement

This, says Mr Short, will enable people to come out of

Letters to the Editor

their company pension schemes and take personal pension plans, in order to benefit from pension mortgage arrangements now only available in the self-employed or those in non-pensioned employment.

pensioned employment.

Mr Short and other advisors tend to disregard the fact that pension-linked mortgages are also available to peoffe in pensioned employment. There is no need for filese people to come out of their group company schemes. The loan is on an interest only basis, and is normally repaid from the company schemes. The loan is on an interest only basis, and is normally repaid from the company schemes. The loan is on an interest only basis, and is normally repaid from the company schemes. The loan is on an interest only basis, and is normally repaid from the company schemes. The loan is on the contract set ap alongside the group acheme. Most leader with half the market.

The reason battery in the UK with a 35 per cent of UK battery stockists carry Silver Seal.

The article shows Duracell with a 70 per cent share of a large with half the market.

The reason that Gold Seal's share. Some 83 per cent of UK battery stockists carry silver Seal.

The article shows Duracell with a 70 per cent share of a large with a 70 per cent share. By contrast European share. By contrast European share. By contrast European share of alkaline is not larger is because we offer the constitution of the UK. this way, without an interest Alister Hunter-Blair, 8, The Belvedere,

Burnham-ou-Crouch, Essex.

Battle of the batteries From the Managing Director, Ever Ready

Sir. - I read with interes Sir, — I read with micres; the informative European battery industry article (April 1) by Christopher Parkes, but would like to put the record straight regarding those aspects that are incomplete and may be misleading as far as they felate to Ever Ready.

It was suggested that even

It was suggested that even after Hanson Trust took over we were slow to respond to the alkaline threat. Prior to the takeover we had no home-produced product and in fact our Gold Seal alkaline was the first of the new generation of long-life batteries, and was launched in October 1983, only one and a half years after the

takeover. It was developed in two stages, and after the first stage

stages, and after the first stage was copied by our competitors, we improved it further in November 1985, allowing us to advertise the claim "Nothing outlasts Gold Seal."

As Mr Parkes points out, accurate market share figures are difficult to came by, but it is not our intention to avoid giving the invarnished truth. One assessment in 1985 shows Gold Seal share of alkaline in 1984 as 20 per cent by value. 1984 as 20 per cent by value.
Another report published in
October 1985 shows our alkaline. value shares as 7 per cent in 1983, reaching 20 per cent in 1984, and at 21 per cent last

year.

The significant 74 per cent shares of total market held by shares of total market held by zine carbon was barely acknow-ledged. Within this important sector we launched Silver Seal in September 1984, since when it has grown to be the biggest value zine carbon battery in

share of alkaline is not larger is because we offer the con-sumer a choice. Within the Ever Ready range the best value battery for many applica-tions is Silver Seal—a trade-off

tions is Silver Seal—a trade-off between life and price.
When our European businesses were sold in 1982 the overall trading profit from them was minimal with competition intense and, as made clear by your article, this continues to be the case. We have no regrets who species and a deciwhatsoever regarding that deci-sion, and have benefited as we have been able to concentrate on the development of our reo-fitable core business in the UK. Ever Ready has become an infinitely stronger company during the past four years, and it is British

R. J. Nevitt. Southgate N14.

Financial Services From the Secretary and Chief

Executive, Institute of Chartered Secretaries and Adminstrators

Sir,-None of us can be clear as yet about where we are going to stand with regard to the regulatory arrangements under the Financial Services Bill, if only because the standing committee has scored a few points off the Minister and no one can be sure bow the Act will finally emerge from both houses. Nonetheless, tribute should be paid to Mr Anthony Nelson's contribution in your issue of March 20.

As to whether, in the event, we are getting a Securities and Exchange Commission nr not, I suggest the simple test of look-ing at the Bill as amended in the standing committee, the regulatory bodies as they bave emerged so far, and the first

instalments of possible regula-tions, and then asking what would be different if we had had an SEC by, with and from the Government as opposed to like getting as the Government's Hobson's choice. I suspect that, in practice, the actual regulatory process in effect would differ very little. So be it.

Opinions have indeed shifted with all that has bappened since the Parkinson/Stock Exchange deal and I doubt whether, out side the corridors of Westmin ster, anyone is greatly fussed with what has happened in the standing committae.

There are two matters, bowserious concern to chartered secretaries; the very heavy burden of eost which looks like fall-ing on the shoulders of recognised professional bodies if we volunteer for the regulatory task and the fact that the Minister has taken powers to inler-fere with our disciplinary regu-lations—something which every chartered body must regard as If the financial burden turns

out to he beyond what a pro-fessional body can bear in respect of a relatively small proportion of total membership and if the Government is seeking to take from us the authority we derive from our Royal Charter. I fear we may be forced regret-fully to ask to be excused from public duty on this occasion.

B. Barker,

16. Park Crescent, WI.

Efficient use of energy

Prom Dr L. Brookes
Sir,—I almost did not respond
to the plea by Mr Malcolm
Bruce MP (March 24) to inten sify measures to energy efficiency in preference to building nuclear power so weary of the never-ending stream of similar wrong-headed arguments. On reflection I thought this would be remiss of me so here goes.

There is no evidence that using energy more efficiently reduces the demand for it. Past history and reasoned analysis beyond the Mickey Mouse level suggest the opposite. Ever since the Industrial Revolution, improving energy efficiency and increasing consumption have gone hand in hand; and for a commodity to find itself in a world of more efficient use is for it to enjoy a reduction in

its implicit price.

Arguments like Mr Bruce's depend upon two falacies: a fallacy of composition (that what is true of a single case. of energy use also bolds for the economy as a wbole); and a lump - of - energy - dependentactivity lallacy (that the amount of energy dependent activity in the economy stays fixed while the implicit price of energy

(Dr) L. G. Brookes, 16 Ipswich Rd.

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FINANCIAL TIMES

Friday April 4 1986



Laura Raun explains why the Netherlands' popular Prime Minister is set for re-election

Lubbers is favourite for Dutch poll

May 21 will be a referendum on the historic turo in 1982 that took the Netherlands down the painful path of less government and more private initiative. The clearest winner is likely to be Mr Ruud Lubbers, the popular Christian Democratic Prime Minister who has steered the with bardly a scar.

The Christian Democrats look set to gain enough seats in next month's elections to put them in the comfortable position of choosing the most maileable coalition part-ner. That probably will be the rightof-centre Liberals with whom the Christian Democrats currently govern in a centre-right coalitioo. But the door has not been closed to the opposition Labour Party.

If elections were beld now the ruling coalinon would see its parliamentary majority shrink to a very narrow margin, with Liberal losses outweighing Christian Democratic gains. This vulnerability was reflected in local elections oo March 19 when the Liberals lost significant support while the centrist Christian Democrats remained about even and the opposition Labour Party scored big gains.

Nevertheless the Christian Democrat-Liberal coalition stands a better than even chance of continuing in office for several reasons. The most important is the enormous popularity of Mr Lubbers, who retains wide support despite cuts in Government spending and welfare henefits.

Another is the underlying trend of public opinion polls, which show the Christian Democrats gaining strength and the Socialisis, the largest political party, falling back from a mid-term high. A third reason is the Socialists' political isola-tion due to their edamant opposition to the deployment of US crulse

The charismatic Mr Luhbers has

campaign as a simple race between himself and Mr Joop Den Uyl, the veteran labour leader who is viewed by many, even in his own party, as too doctrinaire and given to oldfashioned policies.

The Socialists may have erred in choosing Mr Den Uyl, 67, to lead them into elections for the sixth time instead of Mr Wim Kok, the up-and-coming labour leader and former unioo federation chief who has soared in popularity.

Given the choice between the dvnamic Mr Lubbers and the didactic Mr Den Uyl, voters are thought likely to back the current Prime Minister.

Mr Lubbers' Government swept into power in 1982 on a three-tier platform of fostering economic prosperity through curtailment of the bloated public sector; slashing the budget deficit; and battling persistently high unemployment. The emphasis shifted away from bow to share wealth and focused on how to create it.

Notable success has been achieved. Government spending as a portion of gross domestic product (GDP) has fallen for the first time in memory. The hudget deficit as a percentage of net national income has shrunk to about 7% per cent from nearly 11 per cent. And the unemployment rate has slowly heen pushed down to about 15 per cent

A general consensus has evolved that some form of austerity must continue following the rampant government spending of the 1970s when the public sector swelled to two thirds of GDP, one of the highest levels in the world.

Even the opposition Labour Party concedes the need for improving public finances, which explains why the Dutch financial markets have remained calmer than many others would before a general election.

ing for no increase at all this year.

1-114 per cent.

calation clauses

The Liberals, undoubtedly with an eye on the polls, want no corpopropose to stretch out the necessary budget savings over several years

But even that may not help the Liberals because the Dutch electorate is so accustomed to heavy taxes and social security premiums as the price for a lavish welfare system, that they fear lower welfare

% vote 32.2 22.6

what pace retrenchment should continue. The issue has been compounded by the looming problem of drastically falling state income from natural gas, the price of which has plummeted along with crude oil and the dollar. Gas revenue ac-counts for about 13 per cent of all Government income and the budget deficit could widen by 1 percentage point next year if no offsetting measures are taken.

LEADING DUTCH PARTIES

The Cabinet is now drawing up the broad outlines of the 1987 budget and Mr Lubbers is calling for some FI 9bn (\$34hn) of savings through reductions in Government expenditure and tax increases for businesses and individuals. Ministry budgets would come under the knife again while companies would lose some tax subsidies and individuals would pay higher excise taxes

rate or Individual tax increases and so next year's reductions can be limited. The Liberals have long urged cuts in the Netherlands' high taxes, a position that would almost guarantee an electoral boost for a political party in any other country.

benefits more than higher taxes.

The Labour Party is advocating smaller Government spending cuts and bigger tax increases for the The big question, however, is at business community, contending that industry will profit more from cbeaper energy than private

The Socialists also are seeking a stponement of sweeping reforms of the social security system that would trim welfare benefits as well as the onerous premiums. Welfare recipients and civil servants. - who have seen their incomes stagnate in the past couple of years - can be expected to respond warmly to these

Incomes may emerge as the most significant issue in the election campaign, oversbadowing an emotional debate over euthanasia. The Christian Democrats, who oppose the current Euthanasia Bill, bave succeeded in postponing the issue until the formation of the next Gov-

Until recent years incomes poli-cies were aimed at "levelling," nar-rowing the differential between high and low incomes so the highest paid make only F1 29 a day more than the lowest. Now there is increasing talk of "de-levelling," or income differentiation, especially from the Liberal Party. The ques-tion is whether the Dutch want

The Socialists are focusing much of their attention on the low income groups in the hope that a grass roots rebellion against the austerity programmes will win votes. But the governing coalition, drawing vagueon supply side economics, argues that chipping away at the budget deficit and unleashing the private sector will fuel incomes through

The high jobless rate should continue to fall for the same reasons,

unemployment still at 15 per cent, the Labour Party is hitting hard at the coalition's failure to further reduce the number of jobless. All sides are paying lip service to the unemployment issue but in reality unemployment rarely hits a raw nerve because of the generous level of unemployment benefits.

The underlying trend of public opinion polls offers good grounds for optimism among the Christian Democrats, who have participated in every administration since the Second World War. They have re-bounded strongly from their mid-term nadir and would now probably win one third of the 150-seat parlia-

The Liberals have suffered size able losses in electoral support since they gained a record number of parliamentary seats in 1982 on the youthful appeal of Mr Ed Nijpels, their party leader. But Mr Nij-pels' enthusiasm has suffered from inexperience and the most recent opinion polls show the Liberals losing 10 seats, leaving them with 26.

The Socialists, not surprisingly, bave strengthened their grip while in opposition and achieved an opininn poll peak of 63 seats last year compared with their actual 47. But the Socialists have watched their big mid-term gains dwindle to a modest seven seats as the party has dwelled on ideological issues that voters care little about, such as US cruise missiles and nuclear energy.

It is the Labour Party's stubborn opposition to nuclear cruise missiles that seems to block any coalition with the Christian Democrats. Deployment of the 48 missiles already has been approved by the Cabinet and the Parliament but the Socialists are still threatening to renege on the US treaty providing for deployment if they enter power.

It seems now that the only chance for a centre-left government

is if the Labour Party drops its

THE LEX COLUMN

High noon for Woolworth

Among consortium bids, the reconstruction of Woolworth must rank among the most remarkable market successes. If the members of the Paternoster group had been told at the outset that they would be offered 10 times their initial investment only three years down the road, they would not have believed

Now that it has happened, in the shape of Dixons' 114bn bid for Woolworth Holdings, they will have the devil's own job deciding

Woolworth's share price has been looking for a bid for several weeks past. Indeed, those fortunate investors who only came in for the bid would nearly have doubled their money over the last month. But the Dixons shares have been

unstoppable since they started rolling in the course of Dixons' highly cessful bid for Currys. Dixons is one of the very few retailing compa-nies of a size and on a high enough rating to be able to make this offer without courting any noticeable dilution.

More strikingly, Dixons' stock stands so high with the City at present that the prospect of doubling the issued capital served only to put 50p on the share price yesterday. That naturally levered up the value of the offer; Woolworth shares at one time almost breached 900p, be-fore closing a mere 227p higher at

somewhat excited by the Dixons offer, but sees the chance of squeezing a little more before it hands over 8m sq ft of the retail shopping space for making over into a series of home, leisure and entertainment stores - on a pattern that has yet to be disclosed in even the sketchy detail of last year's wonder-concept, the Galleria.

Valuation of convertibles is a matter of opinion, but since the Dixons convertible was presumed to stand at par when the underlying shares were 370p on Wednesday evening, it would clearly attract a been clawed back through the revedecent premium when the shares have moved up to 420p. In any case, the offer cannot now

be worth much less than 820p. To close the gap may not require all that much sweetening of the terms. The Woolworth defence is bound to talk about the record, which from point can show compound growth at rate that makes Dixons look almost pedestrian. Yet the present management is vulnerably between chairmen and has made no more

Woolworth 120

than a start at making money in the old Woolies chain. It will give the Dixons camp no trouble at all to make hay with the favourable changes in accounting policy that featured in Woolworth's recent preliminary statement.

If the two groups are valued on their record at generating consistent growth from retailing, it is no contest; both are on implausibly high multiples, but the Dixons rating carries more conviction with the retailing experts. If either management could reap half-way sensible margins from the Woolworth turnover, there is enormous potential.

Shareholders are now being asked to decide which has the greater chance of success. Institufore closing a mere 227p higher at tions that gave backing to a seven-960p.

In short, the market is more than peculiarly torn.

Burton Group

Acquisition accounting has a habit of obscuring the true performance of a new subsidiary and yesterday Burton Group was disin-clined to shed much light on the

Even the trading profits of Deb-enhams were kept a closely guarded secret so there was no chance of establishing what balance sheet provisions, if any, had nue account and what the cost reductions charged against the acquisition had provided by way of incremental profit.

the customary Burton razzle-dazzle day which saw the stores sector rise by almost 4 per cent.

ing to tail off although an increase of 11 per cent on like for like space was still a little ahead of the indus-

try average.

The challenge now is to improve both sales density and gross margin in the Debenhams outlets. It is far too early to judge Burton's success in making dowdy old department stores an exciting place to shop but the policy of squeezing space to make way for Burton concessions seems for the moment to be meeting with mixed results.

The group is also supporting an uncomfortable burden of debt - borrowings are likely to average at least £300m this year - and with capital spending of £110m projected for the current 12 months Burton will remain under pressure to make

Even allowing for the seasonality of the Debenhams business, the group should make £150m pre-tax-this year - exactly double the six month surplus - putting the shares on a multiple of just under 20.

Reckitt & Colman

Yesterday's response to Reckitt & Colman's preliminary figures said more about the tightness of the London equity market than about Reckitt's success in selling lavatory cleaners at a profit. The figures themselves were fractionally ahead of expectations - profits were up 16 per cent to £123.4m pre-tax - but a couple of million in extra profits could scarcely have accounted for the addition of almost £100m to the group's capitalisation. The share price closed at the best of the day up 64p to 900p.

Not that there was much to quib-

ble with in the Reckitt statement, The Airwick acquisition has washed its face sooner than could have been expected a year ago and, with loss elimination still to be conpleted in Europe, could double its trading contribution to about £22m in 1986. Dexterous use of Airwick's tax liabilities, has helped out the group charge by almost six points to 37.4 per cent, leaving earnings per share up by almost 30 per cent. But yesterday that scarcely Reckitt is still wheeling out new seemed to matter. The interim products by the dozen - Magic statement was fully supported by Mushroom air freshener looks a sure winner in the US - and with a been a little disappointed to see the change markets the group might share price unchanged at 348p on a make nearly £150m this year. That would leave the shares on a multiple of almost 15 which, in today's Volume growth in the core Bur- market, is scarcely extravagant.

British Gas to raise its prices by 1.8%

BY MAX WILKINSON AND DOMINIC LAWSON IN LONDON

BRITISH GAS is set to announce maintain its increased share of the price rises of about 1.8 per cent for domestic UK consumers later this

A final decision is expected to be next. It is already clear, however. average increase of just less than 2 that British Gas bas successfully resisted demands by some "hawks" in the British Treasury for a much larger increase to fatten up the state-owned group in readiness for sale to the private sector in the

The Treasury has maintained that gas is underpriced in the UK in relation to the long-term marginal cost of North Sea supplies and in comparison with electricity tariffs. It would have liked prices to rise at close to the rate of inflation, or

about 4 to 5 per cent. Officials laying plans for the sale of the corporation would have welcomed such a rise because it would have increased potential profits. A higher base level of prices would have been established for the formula which will determine domestic prices after privatisation.

British Gas, bowever, has sought to keep price rises to a minimum, in order to help its public image and to

HALL Financial Group, the biggest

private real estate syndication com-

pany in the US, bas filed for protec-

tion under Chapter 11 bankruptcy

laws on behalf of Hall-Texas Asso-

ciates, one of its 240 limited invest-

ment partnerships, Mary Frings

In a move similar to that made by

Balcor, the real estate syndication

subsidiary of American Express

which recently allowed a Houston

apartment complex to fall into fore-

closure rather than continue to fund cashflow deficits, 35 year-old

Mr Craig Hall has split his real estate holdings into a large number of

Italy and Egypt blame each other for TWA security lapse

BY OUR FOREIGN STAFF

UK energy market. At one stage in the recent negotiations it was argucused each other of being responsi-hle for the failure in security mea-The Italian alleg sures which led to the explosion in a TWA airliner over Greece and the cial in Calro, who said yesterday.

The bomb involved in that incident, hidden in a large pack of cigations. The Government has agreed to a

per cent. This is thought to include Mr Oscar Scalfaro, the Italian Instanding charges which are likely erior Minister, said that a known terrorist suspect boarded the airpact on low consumers and to refcraft in Cairo and disembarked in lect improved efficiency.

This will be the first increase thens, on the first leg of the airliner's journey. The man occupied the since February 1985, so British Gas place where the explosion occurred will be able to claim that on an anon the return leg from Rome to Cainual basis the rise is only about

Even this increase is likely to be Italian police said the explosive condemned by some consumer inlevice, which tore a hole in the terests because of the rapid slide in fuselage of the Boeing 727 as it was oil prices. Prices paid by British Gas for its supplies from the North Sea are generally linked to the beginning its descent to Athens. was hidden under a seat occupied price of oil through complicated "es

ITALY and Egypt yesterday ac- spelled in two different ways: Man- for an alleged attempt to plant a

The Italian allegations were botly

The official said that after the explosion, the Egyptian authorities checked the names of the passengers who had boarded in Cairo for Athens and Rome. "We had no suspicion about anyone on the list." The Egyptian official emphasised

that Rome was the final stop for the first leg of the flight and that Italian officials were therefore responsible for ensuring that no explosives were on board for the return

Italian airport officials said inves-tigators believed the suspect could

bomb in an aircraft in December

rettes, was discovered in a suitcase checked in for an Alitalia flight from Istanbul to Rome. The suitcase, opened after its

owner failed to turn up for the flight, was booked through for a Pan American flight from Rome to New York, the officials said. Before the TWA Boeing left

Rome on Wednesday for its return leg to Cairo via Athens it was cleaned and then searched by a private security company employed by the US airline, according to the Ital-

New fears on airport security, Page 2

Talks on new fibres deal open

BY ANTHONY MORETON IN GENEVA

Multi-Fibre Arrangement, which governs a large portion of world trade in textiles and clothing. The MFA expires at the end of July and will probably be extended

another four or five years. The low cost producer countries are pressing the US and Western Europe for a commitment that the new MFA, which sets export quotas aimed at protecting the textile and countries, will be the last. So far neither bad been willing to give

DELEGATES from about 50 countries met in Geneva yesterday in preliminary talks on the renewal of on Tariffs and Trade (Gatt) textile round of Gatt, which would lead to a further liberalising of trade. committee, agree that trade in tex-

Mr Kazuo Tekase of Japan summed up the general consensus when be said "liberalisation is the basic ground on which we stand." note of ambiguity to the years."

MFA restrictions, but at the same she said, and the credibility of the

At the same time that the MFA talks were going on the free-trade lobby group, the Foreign Trade As-sociation, made a plea for an end to trade restrictions on clothing and textiles. Mrs Edna Kavanagh, chairman of the association, said the MFA "must expire irrevocably But the position of the US lent a after another four, or at most, give

The imposition of this type of re-The Americans are among the striction on developing countries time they are committed to a new Gatt system is in danger.

Texas group files for Chapter 11 limited partners who thereby gain

> Putting property partnerships in to bankruptcy was almost unheard of until Daseke of Stamford, Connecticut filed for Chapter 11 in Houston a few months ago. More such actions can be expected in the oil-dependent Sumbelt states as a result of rising unemployment and dwindling population inflow.

Partly for this reason the corpor

ation bas been forced to cut the price of supplies to those industrial

customers which bave the ability to

switch to oil. Many of these gas us-

ers with "interruptible" contracts

have negotiated price reductions of

Property analysts blame the glut of apartments on the market partly on the tax laws, but mainly on prof ligate lending by the newly deregu-lated thrift industry.

Woolworth rejects Dixons bid Continued from Page 1 15m square feet, and 60,000 employ-BRITAIN'S LEADING RETAILERS ees. Dixons said it had been look-



ing at Woolworth ever since the turnov (Em) ber 1982 but it began a serious study a few weeks ago.

When Woolworth announced its reliminary results for the year to February 1 just over a week ago, Dixons decided to act. Despite an improvement in the figures, Mr Kalms said that Woolworth still a successful retailing

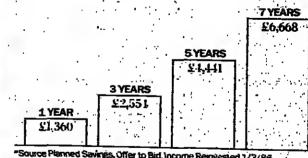
Woolworth stores moved from a loss of £5m the year before to a profit of £17.6m and total retailing, including the B&Q superstores and the Comet electrical stores, increased profits from £38m to £65m. Dixons is offering 15 of its own

shares and 16 4.3 per cent converti-

1,831.6 1,669.8 1,485.6 1,449.2 1,256 39,780 53,963 42,020 43,240 40,000 Marks & Sp Tesco* Dee Corp* 39,713 60,571* 67,687 52,667

on the London Stock Exchange. Dixons shares rose 50p to 420p to ble preference shares for every 10 value its offer at 790p. Woolworth's Woolworth shares. The shares of shares rose 227p to 880p, indicating

both companies leapt yesterday in market expectations that Dixons Dixons is being advised by S. G. Warburg, which acted for Currys in Our style is worlds apart.



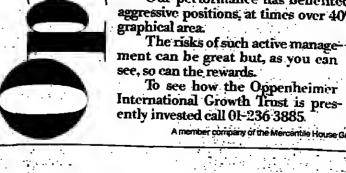
Above you see the results of £1000 invested inthe Oppenheimer International Growth Trust placing it top out of all international unit trusts over all the periods shown.*

Our style of international fund management is different. We buy the shares that we want wherever they may be, regardless of the established international capital weighting.

Our performance has benefited from some aggressive positions, at times over 40% in one geographical area. The risks of such active manage-

see, so can the rewards. To see how the Oppenheimer International Growth Trust is pres-





SECTION III FINANCIAL TIMES SURVEY

Vehicle Components

Rapid changes in the world motor industry are forcing component suppliers to produce on an international scale and in closer co-operation with the vehicle assemblers. The trend is to a specialist approach and heavy capital input to meet the assemblers' needs. Kenneth Gooding reports.

Surviving the shake-up

THE moter industry worldwide is only part of the way through a massive. The changes have already taken their toll among the antomotive component producers. Some have gone to the wall. Others have quit the business and are now concentrating on other

There is almost complete agreement among the major component companies about the main trends in the industry today. They include:

• A move towards fewer but

 A move towards rewer out bigger contracts available to suppliers;
 Closer association between suppliers and assemblers;
 Suppliers face very heavy capital requirements, and need the ability to concrete interthe ability to operate inter-

nationally.

New materials and products will replace some traditional ones—but it is difficult to pick the new "winners."

An increasing demand by bination of international company for the company of t assemblers for packaged systems involving groups of components;

Assemblers are demanding

The pressures will continue there are fewer component the fewer component there are fewer component there are fewer compon

Partnerships

But contracts will be much bigger. The suppliers who win the business will be awarded contracts for quantities unheard of only 10 years ago.

For this reason the assembly companies are moving toward closer relationships with suponers, in some cases almost to the extent of forming partners.

the extent of forming partner-

bination of international com-bination and the magnitude of significant part of any venue the manufacturing redesign For example, bought-in materials, components and range from about 55

component producers. Some pliers, have gone to the wall. Others have quit the business and are now concentrating on other products.

The pressures will continue there are fewer component for some years and the shake-out will leave e reduced number of larger-scale companies of recovering their engagement.

Longterm contracts are being initiated because change in the industry is going so far, so fast that the assemblers are demanding that their component suppliers take on much more of the design and development burden. That kind of financial commitment cannot be expected from a supplier from a supplier that their component pliers, and the shake-out will leave e reduced number of larger-scale companies.

However, the longer-term con-tracts: will probably specify some locked-in price structuring as well, so suppliers will be more responsible than ever for cost containment and produc-tivity improvements to offset any increase in the prices of raw materials, labour or over-heads.

No one in the industry can ignore the fact that low growth in world-wide demand for vehicles is putting pressure on

Massemblers are demanding costs is staggering.

Massemblers are demanding costs is staggering.

However, the benefits to the services range from about 55 and severely penalising suppliers which win the con-per cent of the ex-factory value pliers who let them down:

Tracts that are available will then of a car in Western Enrope to Western assembly companies. Considerable, Contracts will test. 70 per cent in Japan.



vertical integration.

Symptomatic of the assemblers approach was the reaction of the Japanese car companies recently when the dollar fell substantially in value against the Yen and put margins are strong to the second strong to the second second

vehicles is putting pressure on retail-prices.

So assemblers are looking for better quality, more technical support and innovation from their suppliers—but at a lower cost.

In this context it should be remembered that the component in suppliers—contribute—a significant part of any vehicle. For example, bought in materials, components and services range, from about 55 against the Yen and put margins of profit under pressure in the US, their biggest export market. The assemblers turned-immediately to their component suppliers in Japan and asked them to cut prices.

All this is putting considerable financial strain on the components landstry worldwide, as Mr Rudolph Stahl, executive board member at Robert Bosch, points out: "The capital requirements needed in the near future for product development. future for product development. Per cent of worldwide produc-for more flexible, automated tion. Vehicle makers on both manufacturing facilities and for continents are engineering the improvement of quality and their vehicles to be built any

In the US only General reliability will tax the comMotors is lower than 55 per cent
because of that group's high
vertical integration.

Symptomatic of the assemblers approach was the the ability to operate

internationally. "Our industry is interna-tional in scope and in charac-ter. Suppliers who don't under-stand this won't be a part of it for long. Suppliers who don't adjust to this won't succeed," says Mr Edward Irving, senior-vice. vice president, industrial systems group at United Tech-

Subsidiaries

"North American and European automobile output cur-rently accounts for nearly 60

where in the world. They are going to reduce costs by mov-ing production to subsidiaries in other countries and by affiliating with foreign com-

"For suppliers planning to stay competitive, it is impera-tive that they go wherever in the world their major customers Automotive suppliers must able to sell components in the countries where car and truck makers build and sell their vehicles. Automotive com-panies of the future will bave no national passport," Mr Irving says.

To give some perspective to his remarks, it should be pointed out that there are already about 30 automotive companies competing on an international scale. There are automotive assembly plants in no fewer than 86 countries.

IN THIS SURVEY

Joint ventures: springing up fast Japan: setting up satellite plants Databases: close study of trends Engines: pressures for performance New materials: uses for plastics Transmissions: away with gear levers Tyres: struggling with over-capacity Electronics: increasing use of chips Batteries: tough fight among makers

This tempts the assemblers towards the "world" car and truck concept where a vehicle is designed for manufacture and assembly in the major markets with main components drawn in volume from the cheapest and most effective latest methods such as statistically and "just and "institute of present and most effective latest methods such as statistically and "just and "j cheapest and most effective sources of supply available — be it Western Europe, North America, Japan, Taiwan, South Korea or Brazil.

Mr Ian Donald, deputy man-aging director of Guest Keen and Nettlefolds, maintains that the international supplier will have to use its financial and technical resources to establish itself in national markets either in its own right or, more usually, in some form of joint

venture with a local supplier.

The supplier will trade its technological advances in product and process to obtain a share in the national markets share in the national markets and so try to ensure that its design is selected for jocorporation into the "world" vebicle. He says: "It is an exercise fraught with risk but capable of significant pay-off if successfully accomplished."

Typical of the deals Mr Donald has in mind is the 50-50 inint company formed by SKF

joint company formed by SKF of Sweden with Koyo Seiko in of sweden with koyo Seiko in Japan to produce and sell in Japan automotive bearings developed by the Swedish company. This will enable SKF to break into a market which up to now has been exclusively supplied by domestic producers.

So far the traffic has been mostly one-way and Japanese component producers bave been moving into North America and Europe to supply the Japanese car assembly plants being set up on those continents.

tical process control and "just in time" delivery—where materials and parts are de-livered to factories only in the exact quantities and at the

times they are needed.

The "just in time" approach is proving difficult to put into practice outside Japan. To be able to act effectively, suppliers have to have some guarantees that orders will not be changed at the very last moment. But erratic demand in the car mar-ket and the large number of optional extras available for cars these days make it very difficult for the assemblers to adhere to a "no-touch" period.

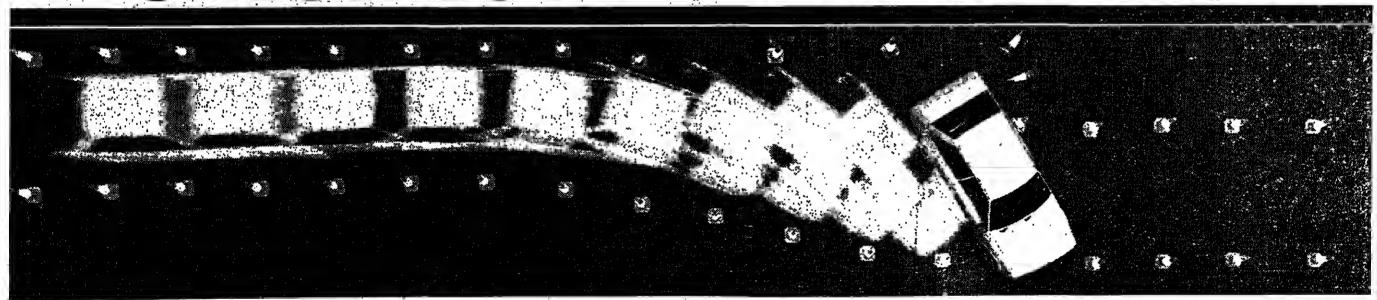
Inventory

The only way total flexibility of "just in time" supply can be offered is if buffer stocks are held by the supplier. This simply moves inventory from the assembler to the supplier and leaves no room for costs to be cut-which, after all, is the main object of the exercise.

main object of the exercise.

Mr Rudolph Stahl, a member of the Robert Bosch executive board, suggests that If "just in time" is to work, close co-operation between suppliers and asemblers is essential. Car makers should introduce as quickly as possible systems which allow a fast flow of information from sales to material

CONTINUED ON PAGE 2





Lucas is a name synonymous with vehicle systems and components. We are constantly and successfully achieving and maintaining technological leadership in automotive fields. This has given Lucas a leading edge in a rapidly changing worldwide market place. Our powerful commitment to research and development has led to the growth of a major network of international partners and customers ensuring that we have a leading part in tomorrow's key projects — just as we have in today's.

Take Lucas Girling's new low cost, hydro mechanical Stop Control System - known as SCS-which has now brought the benefits of anti lock braking into the realms of the front wheel drive family and fleet car. Just as it broke through with disc brakes thirty years earlier Lucas Girling have now begun to transform the brake control capability of tomorrow's popular cats. The Stop Control System comes from a company whose Colette disc brake caliper is now the most widely fitted design in the world.

Lucas are also at the leading edge of the diesel revolution. Vast numbers of diesel cars are now being sold throughout Europe and Lucas CAV are leaders in the development and

supply of Fuel Injection Pumps and Electronic Injection Systems. Not only that but they have also introduced Micronova TM fast.

The leading edge of Lucas achievement often cuts quietly but effectively through traditional areas of automotive componentry. For example the introduction of a new brushless alternator; a new modular distributor, plus, for commercial vehicles, a modular instrument pack and high volume

screenwiper motor. And the leading edge of Lucas technology extends to the aerospace and industrial fields where Lucas is a leading supplier of systems and components.



A MAJOR FORCE IN INTERNATIONAL AUTOMOTIVE TECHNOLOGY



Projects springing up fast

Joint ventures

KENNETH GOODING

JOINT PROJECTS among autoare springing up at such a fast rate it is nearly impossible to keep track of them.

Component groups are heing propelled in this direction by the rapid changes in the motor industry, which has turned into one in which companies need to operate on an international scale of maoufacturing to have

to the British Government. any chance of success.

For example, the Japanese car companies have only recently hegun to move into North America and Western Europe with new assembly plants. They wish to take their traditional suppliers with them and some-times the only vizole way for the suppliers to follow is via joint ventures.

jects.

TI Silencers has set up a 50-50 of the Nissan "family" of supcompany with Nihon Radiator to produce exhaust systems for the Washington factory and another TI company. Fulton TI, will supply hrake and fuel tuhes to Nissan in Eritain and will use company to produce in Japan a multiple handling expertise supply.

plied hy Sano of Japan. Hoover Universal and Ikeda Bussan, a Nissan subsidiary,

to produce seats and headlinings for the Stanza cars to he produced in the UK.

Kanto Seiki will supply tooling to NP Echo, a Courtaulds into the Japanese market for subsidiary, so that right-hand-drive versions of the instrument panel can be made in Britain as well as the plastic humper.

An added ingredient in these ventures is Nissan's need to incorporate as much UK and Enrocorporate as much UK and Enropean content into the Washing-ton cars as possible so that they conform to undertakings given

Political pressure is also gradually forcing open the door to the Japanese market for Western component producers. The Japanese government, worried about the severe imhalance in automotive trade between its country and North America and Western Europe, bas been applying that pressure.
As a result at least two sig-

The Nissan car assembly project at Washington. Type and
Wear, in the UK has already
spawned a number of such prothe way.

Rights

As a first step, the joint com-pany will he given the rights in Japan to make clutch hearing units for manual gearboxes and freewheels (sprag clutches) for automatic gearboxes.

The aim would then be to

expand gradually to give Koyo increased access to certain technically-advanced SKF automotive products, thus giving the Swedish group a significant presence in the Japanese automotive industry. motive industry.

Before the Japanese government's recent intervention, SKF almost certainly would have had to settle for a licensing deal with a Japanese company to get its products into the Japanese industry in any significant numbers.

Elsewhere in the world, well-

sors for vehicle air-conditioning spreading their operations units through several major markets Hoover Universal and Ikeda
Bussan, a Nissan subsidiary.
have established a joint venture to produce seats and headlinings for the Stanza cars to he pro-For instance, talks are going on between Dana, the US group, and Zahnradfabrik Friedrichshafen of West Germany (commonly known as ZF) to merge their truck transmission upera-

tions.

If the deal goes through the two companies will set up a worldwide transmission partnership to be known as ZF-Spicer with annual sales of about \$50m and employing 9,500

people.

Dana-Spicer facilities included in the potential agreement are in Toledo, Ohio: Jonesboro, Arkansas; Knoxville, Tennessee: and Wolverhampton in the UK. ZF facilities to be transferred are in Friedrichshafen and Soracaha, Brazil.

The two companies' truck transmission products are almost entirely complementary and Mr Gerry Mitchell, Dana's chairman, said at the time the deal was announced:

"Dana gains access to a first-class product line which meshes nicely with its existing pro-ducts, basically without duplica-tion and the ability to manu-facture its products in Brazil and in Continental Europe where our European existences. where our European customers want them produced. ZF gains

demand has dropped by about ture.

half since the peak at the end of the 1970s, excess capacity is US transmission maker, has driving down prices and making joined with Iveco, the Fiat it difficult for the assemblers to earn enough to cover the cost of new product development.

This should provide cover the transmission maker, has joined with Iveco, the Fiat heavy vehicle subsidiary which has facilities in West Germany and France as well as Italy, to develop medium-duty truck transmissions.

them."

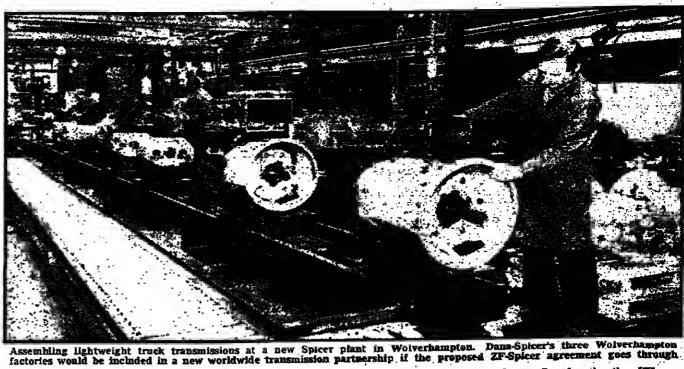
The heavy truck market is ripe for joint ventures because demand has dropped by about half since the peak at the end of the 1970s, excess capacity is driving down prices and making it difficult for the assemblers.

and high-technology products at worldwide if it can, thus subprices the assemblers could not match in-bouse manufactors. Similar thinking applies to similar thinking applies to the two point venture. With this in mind, Eaton, the driving down prices and making joined, with Iveco, the Fiat.

And high-technology products at worldwide if it can, thus subprices the assemblers could not match in-bouse manufactors. Similar thinking applies to another Iveco joint venture. US transmission maker, has joined with Iveco, the Fiat.

With this in mind, Eaton, the US. Rockwell CVC, now continue to the company had not developed th US. Rockwell CVC, now con-trolled by the US group, pro-duces truck axles at a highly automated factory in southern

that was out of the question. automated factory in southern Ford will save more than fam.
Italy and has won some outside a year from the change and customers. The most important that is not an insignificant sum. is Ford of Europe which is to in the truck component busi-phase out its truck axie plant ness.



supply brake and fuel tubes to reached agreement for a joint established component com- a marketing and manufacturing. This should provide opport- transmissions.

Nissan in Britain and will use company to produce in Japan a panies have been looking for position in North America and unities for component promultiple bending expertise sup- new generation of air compres- ways to justify the cost of the UK which will benefit ducers who can offer efficient sions to other vehicle makers ELECTRIC IN-TANK ROLLER VANE FUEL PUMP The AC Roller Vane Fuel Pump is an integral component of today's most advanced and sophisticated fuel injection systems. It's engineered to meet the exacting highpressure fuel flow requirements and precise fuel metering specifications for multiport fuel injection systems: For fuel injection systems with world standards of improving engine performance, simultaneously maximizing fuel economy, minimizing exhaust emissions, and delivering responsive performance, the AC Roller Vane Fuel Pump has accelerated fuel pump technology a step ahead. So if you're looking for someone who knows electric intank fuel pumps inside and out, talk to us. We're a step ahead. AC makes more parts for more vehicles than any other company in the world. OVERSEAS CORPORATION CENTRAL MIL

European truck production forecasts Medium/heavy truck 118.1 40.3 50.4 39.4 16.0 55.0 12.4 34.7 55.5 48.2 14.8 TOTAL 340.2 351.3 Light CV production: 348.4 172.5 122.9 139.5 375.5 221.8 305.9 330.1 185.0 892.3 1,051.6 1,062.1 1,162.1 Source: ORI Europe. TOTAL 1,136.3 World car sales/production forecasts Western Europe: . . Sales Production

10,365 10,723

9.914 11.357 12,140

Shake-up

EC (12 countries):

North American:

with severe penalties for failure.

There are, however, carrots for the successful. GKN's Ian Donald quotes the example of the group's transmission plant in North Carolina which was recently presented with Ford's Q1 preferred supplier award for meeting the US company's stringent quality-control programme.

Meanwhile, future planning for component suppliers is made doubly difficult because of the way the motor industry is rapidly absorbing new materials and products. This trend is attracting new companies into the automotive supply business. But the main problem for the long-standing suppliers is to establish which new products nr materials have long-term potential.

tial.

Some of the short-term changes can be spotted quite easily, however. The Frost and Sullivan market research group that components likely to see above-

L1.206

9,215 9,212 9,533 9,736 10,269 10,111 10,350 10,808 10,892 10,806

11,300 : 12,279

11.892

planning into the plants of the supplier.

"On the other side, the supplier industry has to develop plan and install highly flexible, computer aided manufacturing concepts which allow quick reactions on schedule changes with low inventories,"

Teceive a boost from anti-lock systems, while continuously variable, transmission systems will also see rapid acceptance. Plastic mouddings will also do well.

In contrast, say the researchers, there will be quick reactions on schedule decline for carburettors and paints which are expected planning into the plants of the supplier.

"On the other side, the supplier industry has to develop, plan and install highly flexible, computer-aided mannfacturing concepts which allow researchers, there will be quick reactions of schedule changes with low inventories," he adds.

Apart from costs, the assemblers are obsessed with assemblers are obsessed with suppliers to improve quality and are pressing traditional wiring harnesses will increasingly be affected by the across the board. They have increased the suppliers' response that it is the suppliers' response to t

other surveys suggest that it will not be long before a vehicle's entire operation will be controlled exclusively by electronics. Current projections are that as a percentage of total vehicle cost, electronic components will reach 5 per cent by 1987, 10 per cent by 1987, 10 per cent by 1992. In luxury cars, electronic systems could approach 20 per cent of their total cost by 1992.

Major supplier companies.

stringent quality-control programme.

This means that GKN's constant-velocity drive shafts are delivered straight from its plant to Ford's assembly line without any intervening inspection.

"While this requires very tough quality and process control in our own business, it leads to significant savings in costs, both for GKN and Ford, and I believe that programmes of this nature will be one of the important issues for vehicle builders and their supplier body in the future," Mr Donald says.

Meanwhile, future planning for component suppliers is made doubly difficult because of the way the motor industry is rapidly absorbing new materials and products. This trend is the anti-lock braking system.

The anti-lock braking system is strangled.

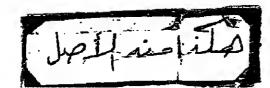
The anti-lock braking system (a developed jointly by Lucas Girling and Ford of Europe is a perfect example of this systems approach.

And Mr Donald points out that GRN believes in the need to concentrate on higher added value, higher-technology pro-ducts, capable of being developed and marketed as

components likely to see above-average growth are those in the electronic and fuel-injection sectors.

Brake components should also

He says: "There will be no place for low margin, low added value metal working in the port folio of a successful inter-national business in the future."



Satellite factories being set up in US

THE JAPANESE components industry has developed along different lines to its Western counterparis. It has remained, until recently, almost entirely domestically-based and has had little incentive to adopt multinational strategies of the type developed by General Motors and Ford.

It is not hard to see why Japan's vehicle makers once egain lead the world in production volumes, and rely on their suppliers to e far greater extent

tion volumes, and rely on their suppliers to e far greater extent than manufacturers in the West. Thus the Japanese component makers have been content to concentrate their activities almost entirely within Japan.

All that is now changing, as they start to follow the vehicle makers to their assembly or manufacturing sites overseas. Jepanese-owned satellite component plants are already springing up around the Japanese car and truck plants in North America which are expected to be producing 1.5m relate in the finished vehicle.

Europe has trailed behind the design of drawings and engineering releases to especially now their components will interplate in the finished vehicle. Europe has trailed behind North America, the world's largest and most lucrative vehicles market, as a desired base for Japanese vehicle assembly or production. But the engine driving the Japanese moves offshore — the fear of overt protectionist action—has already deposited Nissan in Spain, where it makes four-wheel-drive vehicles and vans, wheel-drive vehicles and vans, and brought two companies to the UK. Nissan's car assembly plant at Washington, Tyne and Wear, goes into production in July; Honda plans to use spare Austin Rover capacity to brild the Fellode salorn and plans. its Ballade saloon, and plans engine production and, later, vehicle assembly, et the 360-acre site it has acquired at

515

Japan JOHN GRIFFITHS

to components in the East and West in four main areas: engineering practices, engineering source location, just in time

supply and quality. The Japanese expected mutual

"The issue of drawings and engineering releases to e sup-plier is often e mere formality." As a consequence, Japanese suppilers could provide prototype parts far more quickly than in the West. It is this process, suggests Dr

Martin, which explains why Anstin Rover's launch of its version of the executive car de-veloped jointly with Honda is to take place in the summer, six on sale.

on sale.

The odds are also stacked against European suppliers in that most components in North American or European-assembled Japanese vehicles will have been developed in Japan, so that a European supplier, for exemple, could not that the same are triffent and the same are triffent.

is that the joint Venture companies from their secure supply base, would almost cer-tainly seek business in other areas traditionally enjoyed by ndigenous suppliers.

This has not prevented UK and Continental suppliers from gaining business in their own right. Indeed Mr Ian Gibson, purchasing director for Missan's UK plant, has been very compliant. mentary ebout suppliers it has signed np, including Lucas, Triplex, Dunlop and more than

a dozen others.
Nor has Nissan been anything Nor has Nissan been anything like as insistent as had been feared, particularly in the UK component industry heartland of the West Midlands, about suppliers setting up right on its doorstep to provide e replica of Japan's famed "just-in-time" component delivery systems, under which car plants have component buffar stocks of es little as four hours.

And after subjecting each

And, after subjecting each supplier to exheustive quality and reliability testing, Mr Gibson has made clear that his suppliers, at least, have been fully able to meet particularly stringent Japanese standards.

For all that, Nissan's suppliers represent only a very small sample of the European industry. How others react to industry. How others react to the heightened competiton will be crucial. "They either adapt, or they die," Dr Martin observes

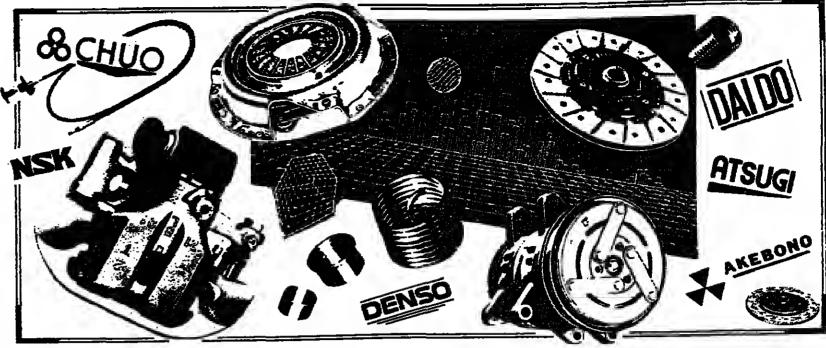
The Japanese component industry's growing presence in North America has already set alarm bells ringing, Ms Candace Howe, United Auto Workers' Union economist, mld a conven-Union economist, mid a convention of the Society of Automotive Eogineers that the Japanese-owned vehicle plants in the US would still rely heavily on imported components, with a typical "transponents, with a typical "transponents," feetors, providing only

Swindon.

Mesnwhile, Toyota is considering a European plant and its associate company, Daihatsu, is seeking a joint venture to assemble in Europe.

These developments present both opportunities and a threat to the European components industries, observes Dr Alan Martin, e director of the PA Technology consulting group who has been making a special study of the sector.

Which way the balance tilts, he suggests, will depend on how well European suppliers noter the food and adapt to the fundare stand and adapt to the fundare standard standard



Japanese component makers and their products are not well known in Europe and the US but are likely to become increasingly familiar as component plants follow the vehicle makers abroad

Powerful means of studying trends

Databases JOHN GRIFFITHS

IN THE PAST 12 months, powerful new tools have been emerging for motor component manufacturers in the form of comprehensive databases.

Their formats, and the means of accessing them, differ. But their common ground is that they provide the means of taking much of the guesswork, or time-consuming number turbocha crunching, out of identifying trends in the types and volumes of components supplied to SMMT. vehicle-makers around the

They provide the basis for calculations by component manufacturers of likely demand for replacement parts as well as original equipment.

Several are from the PRS consultancy group, one of which
to be launched formally in May—is taking the form of a means for component makers to identify weak spots in rivals' to identify weak spots in rivals' society of Motor Manufacturers and Traders. Another is from another UK-bssed consultancy group, James McArdle & Associates.

The McArdle database currectly embraces only the com-

PRS's software-based systems mercial vehicle production of have been set up to provide a European manufacturers. But, detailed breakdown of the says Mr McArdle, a cars dataconstituent parts of motor vehicles produced worldwide. The strategy of PR5 is to produce virtually an "encyclo-paedla meccanica" of vehicle content, making it possible for far behind.

For example, it is easily possible, by examining four years' statistics, to track how fuelinjection systems have grown at following a simple, programmed the expense of carburettors, or the increasing market penetration of vehicles fitted with curbochargers or multi-valve picting precisely what the user

component makers to spot

Its joint venture with the SMMT, Autopare, initially is covering Europe and focuses on registrations, rather than pro-duction, stretching over at least duction, stretching over at least the past 10 years. It should thus be of particular interest to component makers supplying the the world, 24 hours a day with a telephone and e microcomponent makers supplying the past least one.

says Mr McArdle, a cars data-base is well advanced, North American manufacturers will be added later this year, and Japanese statistics will not be

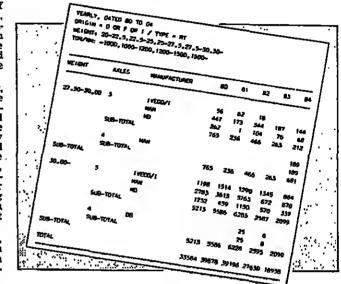
Three years in development the database is notable for the detail in which vehicle production is broken down (each model is described in terms of some 20 variables); the fact that, by wants to know; and for being an on-line, interactive system in which the user is linked direct

to the mainframe computer. " It means," says Mr McArdle,

aftermarket.

Mr John Martin, PRS group
managing director, says the databases are providing useful means for component makers country of origin of commercial multi-national component productions.

It is possible, as just one example, to ask the database to show, over a five-year rolling period, manufacturers and their the system has been among period, manufacturers and their multi-national component productions.



Sample table from the McArdle database. The user had asked it to identify producers rigid trucks defined by weight and categories

he

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the

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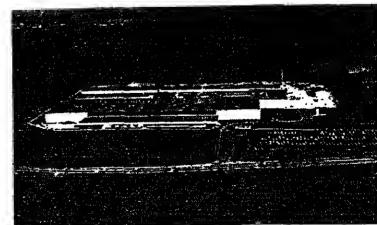
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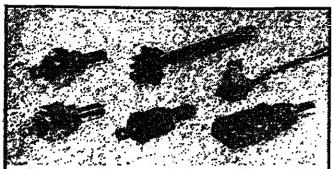
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Greater performance and better economy

Engines and fuel systems IAN ROBERTSON

RECENT DRAMATIC changes in both engines and fuel sys-tems are the culmination of pressures from several different sources: First, severe competi-tive pressure has accelerated the drive to improve fuel efficiency. This can be measured by both improved performance and greater economy.

Advanced electronics in engine management systems and improved manufacturing techniques have also played a key part. Added to this stiffer provisions on exhaust emission standards has forced through related technical developments which centre on refloement of the "lean burn" principle, and improved combustion tech-

Taxation anomalies have had an impact. In Japan, for example, sales of midget (up to 550cc) vehicles accounted for 13 per cent of last year'a market. They enjoy reduced luxury and weight taxes as well as doing eway with the need for a garage certificate.

Their popularity has earned for specialists such as Suzuki and Daihatsu a world lead in small engine technology, yet outside Japan these vehicles are comparatively unknown.

There is continued pressure to reduce the size and weight of componentry—which has speeded up the exploration of alternative materials. A drive to cut back further on routine servicing requirements has brought new technology to bear on ignition and filtration.

And, not least, there is an unrelenting pressure to hold down production costs. With tooling and development on a new engine costing up to £200m, this is encouraging a more co-operative approach by the vehicle manufacturers as well as speeding np the use of advanced manufacturing techniques, exemplified by Flat's latest FIRE (fully integrated robotised engine) project.

Compared with the mid-1970s, today's engines are smaller and lighter and considerable gains in fuel efficiency have al-ready been achieved. A modern 1300cc engine now offers the performance of a typical two litre unit of ten years ago.

More use is made of alumimum, particularly for cylinder heads, although the all-out move towards aluminium in the 1960s and 1970s has been modified. This reflects advances in casting techniques and im-proved stress analysis using computer-aided facilities to reveal weak points.

Together, these developments mainly plastic in many save enabled much thinner and allegations and startley

ings. More sophisticated alloys incorporating copper and nickel have taken over from the old ceramics designed not just to lead variety, giving significant gains in working life. Two-ring pistons have been developed number of components to be

which provide valuable savings in compression beight as well as welght and mass.

In the UK, the Rugby-based AE group has developed pistons which offer a 30 per cent saving to merch. The per cent saving to merch the compression of the compre

in weight. This permits similar reductions in both the thickness and weight of connecting rods. It also eases the load on the bearings and reduces friction losses. There has been a move to There has been a move to overbead cam design with further reductions in weight and improved efficiency. In the Austin Rover line up, for example, only the Metro's A-series engine now uses pushrods.

Electronic ignition is now

Electronic ignition is now widespread. The first move away from contact breakers took the form of transistor-assisted contacts which effectively acted as a switch offering extended working life.

The next stage was to dispense with contact breakers altogether. This took place with the advent of fully-electronic institute contact which contact with the stage of the contact with the stage of the contact with the contact w ignition control which first arrived on family cars five or six years ago; now programmed ignition is being phased in on family cars such as BL's

Microchip

The system uses a microchip which retains a three-diman-sional map of the engine in all its operating phases. Sensors are located at 200 points to cover variations in vehicle load and speed and the microchip adjusts to an appropriate ignition setting.

The system used by Anstin Rover was developed in conjunction with Lucas, and it is particularly in this field of electronics—along with hearings and pistons—that independent component suppliers have the biggest part to play. More and more the specialist indepen-dents are being brought in at an earlier stage in the process of component development. In the electronics sector in particular they are being charged with the development and supply of complete systems.

THE STEEL CONTENT of vehicle bodies and interiors is diminishing slowly, in favour of

volume-selling cars had fuel in-jection as standard. In 1985, about 20,000 of the 157,000 Escort modals sold in the UK were fuel-injected including 20 per cent of Orions; plus more than 50 per cent of the new Granada models. Originally, fuel-injection was limited to high-performance models, but as costs have fallen injection systems have been progressively phased down-market with the additional goals of improving economy and emission control. A further stage in this deve-lopment will be seen in a "throttle body injection" system to be featured on tha

Rover 800's new M16 engine. In this system the workings of the carburettor are dispensed with and replaced by one injector in a venturi—effectively a super high-tech carburettor—which allows better control of fuel usage and improved emission As more and more models bave become equipped with injected engines, however, some vehicle manufacturers have hecome noticeably uncomfort-able at their growing depen-dence on outside specialists. Recently Volkswagen developed

system for the super-charged Polo—an important break from total dependence on Bosch. Toyota is also taking over from Nippondenso the produc-tion of electronic computer units, a major component in fuel injectors, and there could be more to follow.

its own Digifant fuel injection

By the end of this year, BL, with the co-operation of Per-kins, expects to be able to offer its first direct-injection diesel engine for a passenger car.

Originally Ford considered it impractical to direct-inject any diesel engines below its four litre truck unit. In stages, however, the technology has been phased down its range to the 2.5 litre Transit, although a high-speed system for a passenger car remains some way

Aluminium and plastics

given more uses



Testing an engine at Ford's research centre: The driver sets up a visual display unit with the

growth is forecast, in contrast Escort/Orion, and there are to tha US where the major plans to advance this to 22:1 manufacturers have reduced in a third generation series due their diesel car programmes. Progressive refinements, the addition of turbo-charging, faststart systems and favourable

emission ratings have helped to overcome user resistance along with increased availability. However, the outlook for con-tinued progress must be weighed against considerable advances in the economy of petrol engines.

Ford estimates that advances in lean burn technology should enable the company to meet forthcoming European regula-tions on exhaust emissions for the up to two Etre category, Advanced piston technology and modifications to the combustion chamber permit a leaner air-fuel mixture.

Compared with the 12:1 ratio of a standard engine, the com-pany's first-generation lean burn However, where these sdyanced systems are taken up by the vehicle manufacturers in substantial volume, the risk arises for the suppliers that of the 10m passenger cars sold arises for the suppliers that of the 10m passenger cars sold generation engine, the company's first-generation lean burn units reached 16.5:1 in the 1.8 account for almost 15 per cent litre Sierras of late 1984. Second generation engines exceeding in Western Europe and further 18:1 are offered in the new

plans to advance this to 22:1 in a third generation series one

Among materials on offer, Ford has developed a plastic manifold for a car petrol engine but at the ent the potential for plastics appears to be limited to non-moving parts such as cam covers and filters. Plastics technology does not yet extend to tolerance of high operating. temperatures within the engine. Carbon fibre conrods have been developed and are already used in Formula One racing engines.

Ceramics

Japanese manufacturers are in the forefront of the development of ceramics. Nissan has already produced a ceramic engine and production turbo-charged models are equipped with ceramic rotors. The first ceramic turbine turbocharger ceramic prome arrocharger appeared in Nissan's 300ZX model. It was developed in conjunction with NGK Spark Plug Co and NTK Insulators, and offers high thermal strength and reduced mass with a substantial reduction in the inertia of the turbine rotor.

But ceramics are expensive (though on increasing number of applications could bring prices down by as much as 50 per cent in the next few years).

with pistons and valve parts among the forerunners. In the immediate aftermath of the oil crisis, US engineers headed a widespread investiga-tion into cylinder cut-out V8 engines in an effort to reduce consumption, but con-tinued friction losses have undermined the achievements been testing a three-cylinder cut-out on a six cylinder engine for the past two years but several other manufacturers have already abandoned this

Indicative of the next genera-tion of engines. BL's future K-series unit will be fitted to the Metro replacement at the turn of the decade. It is to be an all-atuminium overhead-cam 1400 cc engine, which BL claims is the lightest ever pre-duced, incorporating advanced

duced, incorporating advanced lean burn technology. In a radical move all the plumbing will appear as copper pipes on the outside of the engine. New mass production techniques will be employed including flexible manufacturing systems. Instead of the transfer line approach producing one cylinder block from one end to the other, as on Fiat's end to the other, as on Fiat's FIRE programme, engines with common bore centres but varying capacity and even with a different number of cylinders, will be produced on the same line. This will substantially increase the potential for yolume production and ease the in developing ingenious applications for such materials. The tested caranics are way mwards a greater intercessarch and development operations of European manuscript in different components; vehicle manufacturers.

m and its alloys. castings to be made in iron. As a result cast iron cylinder blocks—with their worthwhile Such materials are encroaching, too, into parts of the vehicle's stressed structure -Lightest type approved bar Swing back with automatic reset Impact warning when reversing Brake application on impact Gives protection in excess of the requirements of the EEC Directive 81/333 redoction in noise transmission lightweight reinforced plastic springs and other suspension —are now as light as aluminium blocks. and steering components. At the same time there have been advances in the technology for making connecting rod hear-Even within the hostile climate of the engine's combus-tion chamber, new materials are being developed, in the form of ceramics designed not just to withstand combustion tempera-

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New materials

JOHN GRIFFITHS

increased in pursuit of engine efficiency and economy.

The Japanese motor industry is now among the most active in new materials research, and Nissan's executive vice presi-dent, Mr Yutaka Kume, fore-

sensor, mounted on the wind-screen wiper. It detects rain-fall intensity, relates it to vehicle speed and controls intermittent wiper operation to suit; Carbon fibre-reinforced plastic propellor shafts, which save weight and provide better sus-

pension of driveline vibration compared with steel; High-performance plastics for items such as engine rocker covers and seat frames;

Plastic fuel tanks, of up to five layers of polypropylene and nylon, which can be moulded in more complex shapes than el to allow greater passenger

Ceramic turbocharger rotors Ceramic turbocharger rotors, made of silicon nitride, which through lighter weight is claimed to reduce the notorious turbo "throttle lag" by 30 per cent, as well as being more resilient to the high temperatures of the exhaust gases which deign turbock. which drive turbos;

Another ceramic-silicon nit-ride and zilconia—to coat the surfaces of rocker arms where they activate the engine valves, thus reducing the wear to which they are becoming increasingly prone as the result of a widening move by manufacturers towards multi-valve, high-speed

Rocker arms themselves are being developed in glass fibre-reinforced plastic, with carbon fibre-reinforced plastic tips;

Silicon nitride / carhida ceramic combustion chambers for gas turbine engines, which Nissan believes could well supersede conventional diesel or petrol engines in some vehicle applications. And more novel items, like shape memory novel items, like shape memory alloy components for use in a cooling fan brake system (they "remember" their formed shape, expand when heated via an electric current and exert considerable force in returning to their original shape. The process is almost instantaneous, and wide applications are envisaged for lightweight windscreen wiper "motors," central door locking and other features). Nissan is not alone, of course,

facturers and their suppliers

Steel producers, however, are not about to yield any ground to other materials without a fight. The majors are develop-ing ranges of high-strength steels capable of meeting manu-

nn new materials research, and Nissan's executive vice president. Mr Yutaka Kume, forecasts that by 1990, the proportion of traditional steels within the typical car will fall from 75-80 per cent by weight now to about 60 per cent.

Nissan itself has been exploring a number of new materials applications. These include:

A bariom titanate raindrop sensor, mounted on the wind-

A process for volume produc-tion of cars using this process has been patented—but even Austin Rover admits it would be well into the 1990s until such processes could be widely used, not least because of the need to amortise conventional existing capital equipment, which would become largely re-

Fuel saving

Other European producers, like Fiat, also see this as a likely approach of the future—it was one of tha first companies to produce a prototype embody-ing the concept.

ing the concept.

And Austin Rover, which drew on experience gained with its own ECV-3 concept car of the early 1980s, has done research indicating that the fuel saving enabled by such light vehicles (which can use smaller than normal engines) would allow "whole life" running costs cheaper than normal cars, even though the initial purchase price might be marginally more price might be marginally more

expensive.
The manufacturers of Japan are not sure. Certainly Mazda for one is making increasing, but selective, use of aluminium —but mainly in stressed compo-nents such as suspension com-

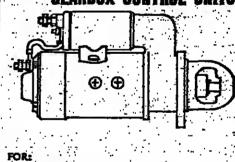
But the Japanese industry has a perhaps more jaundiced view of both plastics and alnminium than manufacturers in Europe or North America, Plas-tics are oil-based, and a high total energy input is required to produce aluminium compared with steels. Japan imports all its raw materials and its energy costs are exceptionally high. Electricity is particularly cheap in North America, and Europe still less expensive than

So it is possible, that despite Japan's intensive new materials research efforts, it may end up being slower to introduce them than in the West

But as one research scientist commented on at a recent Geneva technology conference, that is not something to be

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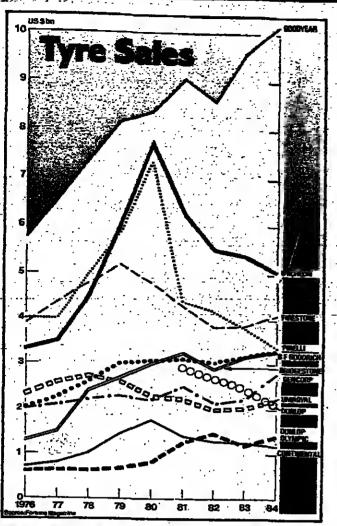
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The world's major tyre makers had combined sales of about \$40bn in 1984 (figures include non-tyre products). The industry is thus very large, but remains relatively static as a result of the introduction of longer-life tyres.

Difficulties of

Tyres

casts

e C E S is

Also, car makers modified their tyre policy. After years of trying to fit the smallest and cheacest tyre to high-volume cars for economic reasons, they began over-tyring cars to enhance customer appeal. Naturally the bigger tyres

and further afield have bad a growing impact in the replace-ment market. A worrying trend for European makers is the decision by two German car makers to use Bridgestone makers to use Bridgestone tyres from Japan as original equipment on specialised models. Andi, which will use a Bridgestone tyre later this year as 100 per cent original equipment on its turbo Quattro coupe, is also talking to Yokobama of Japan. bama of Japan.

worrying because Europe's car

Continental Gummi-Werke, Germany's largest tyre maker, now has nuder its wing Uninow has under its wing Uni-royal's European tyre produc-tion sida and Semperit, the Austrian tyre maker. Ceat is controlled by Pirelli and Kelber by Michelin, which always had substantial minority sharebolding.

Other minor league tyre com-Other minor league tyre com-panies still leading a separate existence and surviving by niche marketing to both origi-nal equipment and replacement customers includa Avon (the customers includa Avon (the only all-British tyre company left]. Vredestein of Holland, Askim (Norway) and Nokla (Finland). Their ranks bave thinned in the past decade. Who now remembers Metzeler or Phoenix tyres from Germany. or our own Henley, John Bull

and India brands? The small, and some not-tosmall, makers were swept out of tyre manufacture by the com-petitive pressures that led to concentration and rationalis-ation by the large national and multi-national producers.

Aimost without exception, every tyre company still surviving in its own right has shed
production capacity on a subit can only hope to succeed with production capacity on a sub-stantial scale in the past 10 CTS if other tyre makers agree stantial scale in the past 10 CTS if other tyre makers agree years in not always successful to make it under licence. years in not always successful

Doing away with the gearshift lever

vehicles are moving towards a future in which the familiar gearshift lever could become obsolete.

obsolete.

By early next year, long delayed and after encountering more production engineering difficulties than were anticipated, the first cars to use a modern development of DAF's continuously-variable transmission are expected to arrive in the market.

On the commercials front, the AMT (automated mechanical transmission) now in an advanced stage of development by Eaton, the US-owned multinational truck components pro-ducer, bolds out the prospect of drivers being able to operate even the heaviest trucks, with 12 gears, by means of s simple control resembling a current car's automatic gearshift and with no manual clutch.

Ford is now firmly committed to the CVT car transmission, which will be known as the CTX when it goes into production at Ford's Bordeaux plant later this year.

mission maker which originally developed the system for DAF cars—but using rubber drive belts.

Licences for the system have also been taken out by Subaru of Japan.

this year.

It will require drivers to accustom themselves to sensations behind the wheel entirely different from those experienced with manual or conventional automatic transmission.

For the CVT is designed to allow the engine to operate almost continuously within its most efficient range in terms of revolutions per minute, with the

Transmissions JOHN GRIFFITHS

transmission being left to change road speed via a system of steel belts and pulleys.

But for the steel belts, the transmission would probably have been in use two years ago. The balts are the key component but they bave proved exceptionally difficult to engin-

exceptionally difficult to engineer for volume production. Ford says most of the problems now appear to have been beaten.

The CVT to be built at Bordeaux is not exclusively a Ford development, but involves a licensing arrangement under which the Ford transmission will be built around romponents from Doorne, the Dutch transmission maker which originally developed the system for DAF cars—but using ruhber drive belts.

Licences for the system have

Motors is working on one for larger-capacity cars, also using the van Doorne principle which it has said would be built at its Strasbourg plant.

Despite its promise of being both easy to operate and offer-ing better fuel economy and performance than conventional manual or automatic cars, the transmission is not expected to take new car markets by storm. Initial production is likely to be in small volume dictated by a still-cautious approach to the durability of the all-important drive belts. drive belts.

Behind the CVT lies a complex saga of troubles confronting van Doorne's efforts both to develop the system and hring it into production at van Doorne's own facilities in Holland.

The company's long attempt to produce a durable system suitable for mass production has taken it into deep financial

also been taken out by Subaru of Japan.

Under its arrangements with Van Doorne, Ford will have the right to sell the Bordeaux-produced transmission to onther to the Corporation for Industrial Projects, a venture capital company majority owned by the state.

The Bordeaux

Two new Eaton Corporation heavy truck components: the 13.44 hypoid drive axle (right) for vehicles op to 44 tonnes gross weight—axles with single reduction gearing and an optionally available differential lock—and (left) the new 4 x 3 twin-splitter transmission

developed the system for DAF cars—but using rubber drive belts.

Licences for the system have also been taken out by Subaru of Japan.

Under its arrangements with Van Doorne, Ford will have the right to sell the Bordeaux. Produced transmission to nther manufacturers. Flat, a share-holder like Vnlvo in van Doorne, Intends to use the unit in its Uno.

The Bordeaux unit is designed for cars of between destructive structure of its shareboldings frequently.

In the most recent stake-up, at the chief shake-up, at the cars that the most recent shake-up, at the chief shake-up, at the driver signals his requirement for a particular gear hy pushing towners. Developed hy Eaton's Eurones.

The three shareholders are injecting FFT 150m into Van at the third twent splitter requires only powered to the corporation for for development of the corporation for Industricting FFT 150m into Van at the third twent power the last owner.

The three shareholders are injecting FFT 150m into Van at the twin splitter requires only power to move

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over-capacity

STUART MARSHALL

DESPITE SEVERE contraction over the past decade, Europe's tyre industry still suffers from over-capacity. This has led to cut throat competition in the market by producers anxious to keep costly production facilities as fully used as possible, even though profit per unit sold may be minimal.

The situation closely parallels. Scotland, in 1979, and concentrated of vehicle assembly, and bas several roof causes.

The replacement of crossply construction by the radial, now virtually complete, resulted in a product that lasted up to twice as long. The universal impossion of speed limits in the 1970s

tion of speed limits in the 1970s aggravated the decline in tion, Kleber in France and Cent replacement sales brought about in Italy would have gone broke. in Italy would have gone broke. In a mature market, Michelin by the long-lasting radial. is no longer head of the pack for quality though it still bas a dominant share of pan-European original equipment

wore out more slowly. .

Imports from cheap labour countries in Eastern Europe product in recent years has heen the move toward ultra low profile tyres, ploneered most successfully by Pirelli. Originally introduced for very high performance cars, these ULP tyres are now fitted to cars of much more modest performance modest performance. mance, partly to improve their handling and roadholding but

The numbers will he small, at any rate to hegin with, but the long-term implications are worrying because Europe's car makers have always bought European tyres as original equipment; from the plants of such European or multi-national producers' as Michelin, Good-year, Pirelli, Continental, Fire-tions and Turlon. stone and Dunlop.

The majors control other brands that were once produced hy separate companies which decided for financial reasons to

Unorthodox tyres continue to appear but have so far made little beadway. In the 1970s, Michelin burned its fingers badly on TRX, a low profile tyre of excellent performance but needing a special shape of rim and a millimetric, as opposed to inch, diameter wheel. After persevering for 10 years to get it accepted by the assemblers, Michelin gave np. Dunlop had an equally come in from the cold Dunlop had an equally depressing experience with its Denovo runflat tyre. In a hid to salvage something from the venture, Dunlop and Michelin jointly created the TD system. This uses a tyre like TRX on a

Denovo-type rim and allows limited mobility after a sudden The only car maker to have adopted TD as standard equipment is Austin Rover Group and that was the only one to adopt Denovo. The forthcoming Jaguar XJ-40 will also have ID tyres but the concept's future is not promising.
Continental is putting a lot
of research and development

Pioneered

into a radical design called CTS, for ContiTyreSystem.
This tyre offers almost unlimited runflat capability and enhanced ride comfort but indifferent lateral stability. Con-tinental is optimistic that CTS will be on some high-volume cars by the end of the decade but the automotive industry is

A rapid increase in demand

Electronics JASON CRISP

TO PUT hundreds of thousands of components on to a tiny microchip, the chips have to be made with enormous care in exceptionally clean and vibration-free conditions. Put them in a car and they have to be tough enough to be haked, frozen, sprayed in oil and vihrated for hours at a time.

Ten years ago the semiconductor manufacturers looked in

tor manufacturers looked in delight at the potential demand from the car industry for their wares, and then in horror when they saw the specifications.

The standard demand is that a chip used in the engine coma chip used in the engine com-partment will operate reliably between -40C and +120C, np to 100 per cent humidity, be vibrated very fast at up to a 15G force, be dropped three feet on to cement, and survive relations to the start and off salt spray, hattery acid and oil. And above all they must be cheap; the car industry cer-tainly would not pay military prices even if the specification was that tough.

Even if it was a tall demand the semiconductor industry recognised the potential sales end now electronics are an essential and increasingly important part of practically every

by Londoo consultants Frost and Sullivan, the US market alone for automotive electronics will be worth \$6.8hn this year — and that excludes in-car entertainment systems. This is expected to rise to \$11.8bn by

systems have helped to make cars more efficient while still meeting tougher pollution laws, and devices such as anti-lock hraking systems have made them safer. The growth has heen dramatic in the past few years, particularly in the US. There the driving force has been the contradictory pressure in cars are numerous and to clean up exhaust emissions diverse ranging from keyless as well as laws requiring US locks and digital clocks to ignicompanies to improve their overall fuel efficiency. Computer controlled engine systems puter-controlled engine systems

electronic equipment has risen in 1982, can process nearly in very rapidly in the past few engine control commands a years, boosted by rapidly-falling second, taking data from six prices, greatly-improved reliaengine sensors. It has been debility and the consumers' veloped so that it also can be



The Carin navigation system uses dead reckoning based on information from wheel sensors and an electronic compass to tell the driver his route once the departure and destination points and special requirements have been fed in.

Carin will direct the driver along, say, the shortest route, the most scenic or

most economical with the aid of a computer and a compact disc

of car makers to differentiate

For example, in 1982 only 13 per cent of cars had cruise controls but hy 1984 this was 51 per cent. Over the same period fuel injection rose from 13 per cent to 38 per cent, and digital clocks from 38 per cent to 63 per cent.
The examples of electronics

cars now made in the US have have been a critical factor in trying to achieve both.

But demand for all types of EEC-IV system, first introduced growing taste for electronic used for diagnosing faults, and devices together with the desire for transmission control.

their products by producing cedes-Benz have led the way extra functions. with electronic anti-lock braking systems which have sensors on all four wheels and which momentarily cot the brake pressure as soon as one locks. This allows the driver to stop more quickly, particularly in bad con-dition, end to steer even when braking in an emergency. Now Ford, in Europe and the US, is offering ABS and backing it

> In Japan, Toyota has de-veloped a micro-computer controlled suspension system which adjusts the damping forces of the car's four shock absorbers. The driver can chose between "normal" sus-pension and two "sport" settings depending on whether he or she wants comfort or speed.

with heavy promotion.

The Toyota Electronic Modulated Suspension (TEMS) can also be set at Auto so that the

In Europe, BMW and Mer- suspension changes according to the manner in which the car is being driven.

In France, Renault is offer-ing s remote key system. A small transmitter in a box which can be hung on a conventional key ring will lock or unlock a car at up to 100 yards and the lights will flash to acknowledge your command.

Philips, the Dutch electricals giant which is a major supplier is one of several companies developing navigation systems. Its Carin system exploits the enormous storage capacity of the compact disc. The silvery 5 in disc which would normally store an hour of Mozart can contain the entire road map of a country like Britain and includes every petrol station, res-taurant and pub.

Initially connected to a com-pass and sensors on the wheels,

Carin will use e system of dead reckoning and a computer will tell the driver where to turn based on the information stored on a compact disc. Even-tually it may be linked to a satellite navigation system such as the US Defence Department's \$8hn Global Positioning System. First production models are likely to be available from 1988.

Top range BMW models have a computer which continuously monitors a number of functions including the way in which the car is heing driven. These enable the computer to tell the owner when the vehicle needs a service and the garage what work needs to be done.

In the US, the Buick Riveria has a television-type screen mounted in its dashboard which is touch-sensitive and can be used to control items as diverse as the radio, the air-conditioning and heating, and trip computer.

New developments on the way include multiplexed wiring, which removes the ever-growing size of the wiring loom, auto-matic load-levelling, satellite navigation, automatic temperature control and cophisticated anti-theft devices.

The largest producers of elec-tronics for the US automotive industry are almost certainly the three giants, General Motors, Ford and Chrysler. GM's subsidiary, Delco Electronics, is a very large producer of electronics equipment. For example, it produces about 250,000 integrated circuits a

Frost and Sullivan estimate that Motorola is the largest merchant supplier of electronics to the US car industry for powertrain controls, followed by Bosch, Nippondenzo and Hitachi, Powertrain controls re-present by far the largest use of electronics in automotives. Frost and Sullivan also estimate that Bosch is the largest mer-chant supplier for vehicle con-trols followed by ITT and then

Hitachi.

The convenience and safety which electronics can bring to cars is one of the fastest-growing areas. There are devices which include cruise control, antomatic switching on of lights, push-button locks and wind-screen wipers which adjust themselves to deal with the amount of rain automatically.

There is no doubt that elec-

There is no doubt that elec-tronics in the car are becoming as pervasive as they are in so many other areas of life. The automotive industry as a result has been one of the brighter spots in the depressed semiconductor sector. Chloride, and was not desper- most of the original equipment sures of their own.



Chloride production line and (inset) the Torquestarter, now selling successfully in replacement market after struggling in value to find acceptance as original equipment

Tough competition

Batteries JOHN GRIFFITHS

THE WORLD market for automotive batteries is relatively static, at 160m-170m units. World output of cars last year was slightly under 32m, and commercial vehicle production substantially less, so the batteries industry is one heavily dependent on the replacement market.

It is thus intensely pricecompetitive, in the context of being primarily—from the consumer's point of view—a distress purchase.

And in Europe this competi-tion is heightened by the presence of substantial over-capacity, estimated by Chloride group—liself in the middle of ajor restructuring to cut costs and improve margins at about

and improve margins—at about 40 per cent.

One of the more recent contributors to this overcapacity has been General Motors, whose AC Delco plant in France was brought into being to supply not only all its own vehicle plants in Europe, but to seek a strengthened aftermarket presence.

It has had a particular impact in the UK because of the motor industry prospect of high volume sales across a wide spectrum, huge resurgence of Vauthall/ there has been little attempt to the prospect of high volume sales across a wide spectrum, there has been little attempt to the prospect of high volume sales across a wide spectrum, there has been little attempt to mess in the sector.

ately important to either as sector and in the Vauxhall's market dwindled to And for as long a about 8 per cent in 1981.

Now, however, Vauxhall has tained, is likely to edged narrowly in front of BL case. to take second place in the UK effort

All Europe's leading battery makers keep their precise market shares close to their chests. But there is something of an industry consensus that Varta of West Germany is the European market leader, given its position in the beartland of Europe's most powerful motor

industry. Second comes the French GCE Fulmen concern

second, Tudor of Spain third. Italy's Magneti Marelli fourth and Chloride fifth.

And for as long as traditional lead/acid technology is re-tained, is likely to remain the case. Chloride has made an edged narrowly in front of BL to take second place in the UK effort to buck the trend with its about 300,000 units a year—and all batteries are sourced from AC Delco.

All Europe's leading battery makers keep their precise marking the process of the cannot leak. It is considerably lighter than conventional units and is sealed for 112

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Foreign

is drop

The thinking behind developing the Torquestarter was that vehicle makers could design it into a car in any location and would welcome the 20 per cent-weightsaving, thus giving Chloride a clear commercial advantage. But the Torque-starter is three years old, and has yet to find an o/e customer,

It is now being sold, success The European market re fully, in the aftermarket as a mains segmented along pripremium product, pitched marily national lines, for the against rivals such as AC simple reason that batteries Delco's own Freedom battery, are exceptionally heavy in relations scaled for life.

Like Unipart, with its Samson-hatteries, Chloride and AC Delco have made e firm pitch at the premium sector, endeavour-ing unlike the hulk of the batteries aftermarket—to sell on technology rather than simply price. But the aftermarket itself is

but to seek a strengthened aftermarket presence.

It has had a particular impact in the UK because of the huge resurgence of Vauxball/ opel's fortunes. The company's battery business used to be shared between Lucas and Chlaride and was not despert.

Turers' particular interest in But the aftermarket itself is motor industry products offer changing, with the emergence of large, independent parts and sales across a wide spectrum, accessories superstores such as there has been little aftempt those being launched in the UK from them to compete for business in the sector, increasingly, they will have the charide and was not despert most of the original etitinment.

HAS BEGUN.



TRANSIT number one rolled off the Ford production line in 1965. Last year the astonishing figure of 2,000,000 was reached. Now the next chapter has begun.

EVOLUTION NOT REVOLUTION.

· Ford have combined all the most successful features of the last twenty years with all the latest knowledge and technology. They've produced a Transit that's even more economical, yet has far greater loadspace and better load access. A vehicle with a higher level of comfort, but one that is even more rugged, even

THE CLASSIC DESIGN CONCEPT. The design concept is a classic. The cab, engine and loadspace are located in three separate compartments, so no one element interferes with the others.

Rear wheel drive is featured on all models, while for the first time short wheelbases have independent front suspension. And to cut maintenance costs, self-adjusting mechanisms and lubricated-for-life components have been included in the design. Even the bonnet hasn't been overlooked - it opens higher and wider for easier access to the engine.

STRETCHING FUEL ECONOMY BOUNDARIES. Ford have also made the new Transit cheaper to run. Aerodynamics have been improved dramatically giving it a drag co-efficient that few others can equal. And the engines are among the most reliable and cost efficient on the road.

Add all this to the versalility and economy of Fords own gear-boxes and you've got a cost-cutting combination.

TAKING LOADSPACE INTO ANOTHER DIMENSION. As for loadspace, the new Transit boasts even more than its

The long wheelbase features a semi-high roof with 297 cubic: feet of loadspace – a 13.5% improvement. The short wheelbase has 11% more room than before with 202 cubic feet. But short wheelbase models also offer a semi-high roof option, boosting the overall loadspace improvement to 22%.

Access has also been improved.

The rear doors are up to 9" taller and rear loading width is up to 5%" greater. And there's a new low-effort, sliding side-door available that can easily swallow a metre-wide pallet. LEAVING YOUR OPTIONS OPEN.

Needless to say the new Ford Transit is a very versalile vehicle. It's available in van, chassis cab, bus and crew-bus models with a choice of seven payloads and three different wheelbases. With over a thousand Ford dealers spread across the country your options are also open when it comes to arranging a test drive.



THE NEW FORD TRANSIT

SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Friday April 4 1986



to Hiram Walker asset sale

By Bernard Simon in Toronto HIRAM WALKER Resources, the

Canadian energy and liquor group at the centre of a takeover battle, faced a legal challenge yesterday to plans to sell its wine and spirits di-vision to the British food group.

Allied Lyons.
Olympia & York, the property and resources group with an 11 per cent voting interest in Hiram, has asked the Ontario supreme court to block Hiram's proposed C\$2.6bn (US\$1.87bn) sale of its liquor interests and to bar Fingas Investmen a new company controlled by Hi-ram and Allied-Lyons, from proceeding with a proposed offer for

50m Hiram common shares.

Both the sale of Hiram's liquor business and the Fingas offer are designed to foil a C\$1.8bn takeover hid for Hiram by Olympia & Yerk's 80 per cent-owned subsidiary, Gulf Canada Gulf has offered to buy 40m Hiram common shares and all class D preference shares, which would give it and Olympia & York a 52 per cent voting interest in

Hiram's plans were also challenged in court yesterday by its largest existing shareholder, Interprovincial Pipe Line, which has agreed to support Gulf's hid. Interprovincial holds a 17 per cent interpret in Hiram. est in Hiram,

Olympia & York asked the court yesterday to order Hiram to pro-duce the agreement with Allied-Lyons for the sale of its liquor business and to restrain it from investing C\$2bn in Fingas to finance the latter's offer for Hiram shares. It argues that Canadian law requires Hiram's directors to call a meeting of shareholders to ratify the dismemberment of the company. It also contends that, by estab-

lishing Fingas, Hiram managemen is using company funds to set up a vehicle able to control the company indefinitely. Hiram would have a 49 per cent interest in Fingas. The takeover battle took another

twist yesterday with the disclosure that the world's largest distiller. Montreal-based Seagram, has also shown an interest in buying Hiram's liquor business.

Seagram's chairman, Mr Edgar Broniman, wrote to Hiram earlier this week indicating that Seagram was willing to offer a price "sub-stantially in excess of that offered any other potential purchaser. Mr Broniman's letter, contained in Olympia & York's court documents complained that Hiram had withheld information from Seagram which it had provided to other

Foreign bid for Canadair is dropped

By Our Montreal Correspondent

CANADAIR, the Government-owned aircraft and defence products manufacturer, now has five potential bidders all of which would ensure that it remains in majority Canadian control.

The Federal Government has indicated that a consortium led by West German industrialist Justus Dornier is no longer in the running to buy Capadair. The other Canadian airframe builder, De Havilland aircraft of Canada, was sold effective January 1 to Boeing for CS95m

(US\$68.2m).

The five groups submitting proposals include Bombardier, the snowmobile and rail equipment manufacturer, Fleet Aerospace, ar aircraft parts manufacturer, and Magna International, the largest Canadian auto parts producer.

The Government says it will make a careful analysis of all five potential bids through Canada Development Investment Corporation the federal agency which owns Canadair. Then negotiations to complete privatisation will follow.

Challenge | Special gains leave Credit Lyonnais earnings up 19.8%

BY DAVID HOUSEGO IN PARIS

est of the French nationalised banks, yesterday announced a 19.8 per cent increase in net profits for 1985 to FFr 442m (\$61.8m). Operat-ing income was marginally down,

The sharp profits rise was due mainly to a more favourable tax position and to savings on nonrecurrent items, such as allowances made for the introduction of a fifth week's paid holiday and for employ-ee share participation schemes. But not profits also rose despite a

6.2 per cent increase in provisions to FFr 5.19bn to cover risks on loans to developing countries - in part-boosted in French franc terms by the decline in the dollar. Provisions on domestic lending declined because of the stronger position of

The bank's operating profits before depreciation and provisions declined, however, by 1.1 per cent to

As a result of the 20 per cent fall

CREDIT Lyonnais, the second larg- overseas branches fell by 17.9 per cent to FFr Libra

> profitable of the major French banks, is the first to report its 1985 results. Mr Jean Deflassions, the chairman called them "acceptable, but no more" in a difficult year. Apart from the impact of the falling dollar, the bank also saw its reve-nue squeezed by disinflation and a slight shrinking of margins on its

> Mr Deflassieur declined to be drawn on prospects for the privati-sation of Credit Lyonnais - one of the three banks nationalised in 1945. He said that Mr Edouard Balhader, the new Finance Minister, had told bankers last Friday that it was the Government which would ent privatisation and that it could take from months to years.

Over the year Crédit Lyonnais considerably strengthened its previously weak capital base through issues of conventional or subordinatin the dollar over the year against ed debentures and perpetual sub-the franc, operating profits from ordinated debt.

WestLB operating profits up 23%

trading and growing fee income from financial services.

Hom mancial services.

It is paying a dividend amounting to DM 477m to the Disselder. based parent bank - the first since

substantial account of risks arising from international loan business by and depreciation, increasing the to-tal in hand for such purposes to DM aside higher amounts for risk provi- diminishing.

WESTLB International, the Laxembourg subsidiary of Westdeutsche Landesbank, West Germany's biggest publicly-owned bank, increased its operating profits by 23 per cent to a record DM 150m (\$63.5m) last year.

sions – DM 124m in 1984 and DM 117m in 1983.

Assets declined 1.5 per cent last year to DM 10.8bn, mainly because the lower US dollar affected the value of dollar denominated assets. Credit outstanding to non-bank instances fell to DM 48 bp. from

stomers fell to DM 4.8bn from Alongside other banks operating in Laxembourg, WestLB International benefited from active bond Claims on other banks rose to DM 3.5bn from DM 2.6bn:

training and growing nee income 3.55n from DM 2.65n:

from financial services.

It is paying a dividend amounting cluding the "big three" commercial banks of the Disseldent banks, Deutsche, Dresdner and based parent bank — the first since commercial banks, Deutsche, Dresdner and Commercial hanks, Deutsche, Dresdner and banks of that their Luxembourg operations had banyant results last year.

The West Germans have traditionally built up considerable risk proviallocating DM 97.4m to provisions sions in Luxembourg, partly with a view to tax advantages, although 491.4m. In previous years it had put the need and scope for this may be

Court approves ESM creditors' settlement

BY WILLIAM HALL IN NEW YORK

Securities, the small Florida-based government securities dealer whose collapse last year precipitated a run on the deposits of several Ohio savings banks, will recover \$35m of the s152m it lost, or about 7 cents \$320m they are owed.

A US Federal bankruptcy court judge in Fort Lauderdale, Florida, yesterday approved a settlement plan for creditors of ESM which closed its doors just over a year ago, causing a temporary crisis in the US financial markets.

The distribution, which will be made after the end of a 30-day appeal period, gives about 22 cents on the dollar to 17 municipalities and four savings and loans that had in-

CUSTOMERS of ESM Government vested through ESM. The state of Ohio, which is the biquidator for the failed Home State Savings Banks of Cincinnati, which bad particularly close ties with ESM, will get \$10m

> As part of the settlement, American Savings and Loan, a Florida savings bank which was controlled by Mr Marvin Warner, a Cincinnati financier who was also closely involved in the affairs of Home State and ESM, will pay \$5m to the ESM creditors fund. In return, the ESM trustee has dropped a suit against American Savings, which was intended to recover \$45m that American Savings withdrew from ESM in the final days before its collapse.

American losses hit Baltica

BY HILARY BARNES IN COPENHAGEN

BALTICA Insurance of Denmark sion of DKr 480m was made to cover reinsurance losses. The divi-dend will be unchanged at 12 per to produce an improved operating ment will end the Government's

The group said thet It sustained increased net profits from DKr substantial losses on its American 144m to DKr 589m (\$67.2m). Operations of the profits from DKr 589m (\$67.2m). ing profits were down from DKr 143m to DKr 135m but there was a capital gain of DKr 914m compared with DKr 101m in 1984. A loss providomestic premiums, combined with

profit in 1986, said the group.

tightens rules on options

Consob

THE CONSOB, the Italian stock exchange regulatory authority, has tightened up the rules governing trading in options on the Milan stock exchange. Options dealing is one of the main areas of speculative trading on the Milan market, where share prices have already risen more than 60 per cent since the beginning of this year.

Under the new rules, which came into force yesterday, dealers who sell options must be able to prove that they are actually in posse of the options they are selling. Hitherto it was possible to sell an option and then seek to acquire a share certificate to deliver when the contract expired.

The Consob was alarmed by the wild fluctuations in the prices of options and by the possibility that those who had sold options they did not possess would be unable to

tightening of the conditions govern-ing dealing on the stock exchange. Since early this year purchasers of shares have been obliged to pay the full price of shares at the time of acquisition. Previously a 60 per cent leposit was sufficient. The Consob has also lengthened settlement pe-riods to prevent rapid in and out

Hoogovens lift profits and payout By Our Financial Staff

HOOGOVENS, the Dutch steel maker, yesterday announced a 35 maker, yesternay announced a so per cent increase in net profits for 1985 to F1 278.8m (\$106m) from F1 206.5m, on virtually mechanged sales of F1 7.46bn and production that was slightly down an 1984 in tonnage terms. The company also announced a one-for-10 rights issue.

As a result of this increased profit. As a result of this increased profi-tability, the company is proposing a dividend of FI 2.50 per FI 20 nomi-

nal share, against Fl 1.60 a year Costs were reduced to FI 6.8bn from FI 6.7bn nn crude steel output tonnes, as previously announced Profits at the operating level rose to FI 598.4m from FI 568.3m. Financial charges were sharply down at Fl 169.4m against Fl 216m, while there was an extraordinary loss of FI 138.1m last year.

A prospectus giving details of the proposed rights issue is due to be published on April 29.

Hoogovens' improving profitabili-ty has helped the Dutch Government's plans to reduce state hold-ings in industry.

VMF-Stork recovery continues

By Laura Raun in Amsterdan

VMF-STORK, the Dutch machinery manufacturer, lifted its earnings by 27 per cent to Fl 39.2m (\$15m) last year and is raising its dividend by Fl 2 to Fl 8 a share.

The coating and printing prod-ucts and industrial products divisions contributed to the profits rise, while food processing and packag-ing equipment posted a loss. Sales fell 10 per cent to Fl 2.01bn last

VMF-Stork, which resumed a dividend payment for the first time in a decade last year, predicted that profits would rise again this year. After its recovery from losses in 1979 and 1980, the company recently agreed to repay early FI 60m in government aid that was originally

ITT switching division chief replaced

BY PAUL TAYLOR IN NEW YORK

ITT, the US-based multinational conglomerate, said that Mr Harold Miller, who had headed the group's Raleigh, North Carolina based telephone switching and transmission business, has been placed "on spe-cial assignment." Earlier this year ITT abandoned its efforts to adapt its flagship System 12 digital telephone switch to US standards.

Mr Miller was placed on assignment to Mr V. William Souveroff, en ITT senior vice president and director of its North American teleommunications operations. Mr Souveroff, announcing the management change, said that Mr Miller had been replaced by Mr Vincenzo Russo, a former Sperry Rand and Philips manager who joined ITT in

group general manager in charge of III Hancock Industries, part of ITT's technology group. Mr Russo will succeed Mr Miller as group general manager for ITT Telecom-North America.

IIT Telecom-North America was the unit in charge of ITT's attempts to adapt System 12 to the US market - an effort that was abandoned in February, resulting in a \$105m write-off and the loss of 1,600 jobs, including 1,200 in Raleigh.

As a result, Mr Russo, who has a reputation as a turnround specialist and strong operating man and has worked closely with Mr Edmund Carpenter, HTs president and chief operating officer, will be in

1969 and most recently served as charge of a much smaller operation future. Mr Braverman recently regroup general manager in charge of which makes and manufactures signed as an ITT senior vice presitransmission equipment, other tele- dent but remains with the group phone network switching products

Mr Miller's move is generally viewed as resulting directly from the failure of the US System 12 development effort. ITT has previously used "special assignments" to reassign temporarily out-of-favour operations managers.

Last year Mr Robert Braverman,

who had headed ITT's troubled communications operations and information services (Coins) group was placed on special assignment to Mr Rand Araskog, ITT's chairman, where he helped assess System 12's

Telecom-North America are the latest in a string of management up-beavals at ITT. Shortly before ITT announced the System 12 decision, Mr William Smith, ITT's chief technical officer, resigned to return to Bell Labs expressing frustration with co-ordinating development groups working on System 12. Subsequently, ITT named a series of new senior appontments to its European Telecommunications, including Mr Gerhard Zeidler who took over Mr Smith's other post as general technical director of ITT

GPA to treble equity with share placement

the largest aviation leasing compa-ny in the world, yesterday an-market. nounced it had almost completed a 5125m private share placement in Japan, the US and Britain. This deal will treble GPA's equity

to \$190m and give it a financial base to expand its operations over the next five years.
It initially intended to raise \$100m but the placement of 9.5 per

cent convertible preferred shares was oversubscribed. GPA has completed the placing of \$115m worth of shares and is finalising negotia-tions for a further \$10m. GPA at present owns or bas leased-in 50 aircraft with a book value of \$240m, while it bas a fur-

ther 42 on order, 20 on option and 121 under negotiation. 1t owns just under 1 per cent of the non-communist world's airline fleet and claims a 5 per cent stake

in the aviation operating lease market.

The largest investor in the private placement is The Long-Term Credit Bank of Japan which, in association with Japan Leasing Cor-

poration and Kawasaki Enterprises has contributed \$55m The other investors are the Prudential Insurance Company of Amer-ica with \$35m. General Electric Credit Corp with \$15m, Morgan Grenfell with \$5m, First Boston with \$2m and GPA employees with \$3m. A group of other small investors is expected to take up a further

Two of GAP's existing shareholders have reduced their holdings to bring in the Mitsubishi group as a shareholder with a 22 per cent

Japanese groups have been looking for a chance to break into the international aviation leasing market for some time. By taking a fleet to 263 aircraft, worth 53.8hn, in stake in GPA they gain access to its erates and maintains aircraft for 1991, by which time it would have a expertise while GPA is secure in GPA's leasing customers.

GPA GROUP, which claims to be 3 per cent stake of the world airline the knowledge that they are not setting up operations to rival its own. GPA may publicly list its shares oo the London or US stockmarkets in three or four years' time. Its new shareholders are not expected to convert their preferred shares into equity until the flotation.

As a result of the share placing and the sale of shares to Mitsubishi, GPA's four main shareholders are Air Canada, with 26 per cent, Guinness Peat the British financial services group (23 per cent) Mitsubishi (22 per cent) and Aer Lingus the Irish airline (17 per cent).

GPA, which was originally

known as Guinness Peat Aviation was set up in 1975 in Shannon, Ireland by Aer Lingus, Guinness Peat and Mr Tony Ryan, a former executive of Aer Lingus.

It made an estimated profit of \$25m in the year ended March 1966 compared with \$17m in 1985. It had gross assets of \$399m at the end of

A GPA subsidiary, Air Tara, op-

Canadian dealers set up equity fund

BY OUR TORONTO CORRESPONDENT

wned mutual fund management company in North America.

The Toronto-based joint venture, known as Sentinel Investment Management, this week launched its first mutual fund, the Sentinel Canada Equity Fund, which will invest primarily in Canadian shares.

Sentinel has appointed four inodically by a Connecticut-based in- ables them to trim costs.

SEVEN leading Canadian securities vestment adviser, Tremont Part-dealers have established what is understood to be the first jointly located equally among the four timel stripped coupon bonds.

which have joined forces in Sentinties Pitfield; McLeod Young Weir; Neshitt Thomson Bongard and and Pemberton Houston Willoughby of Vancouver.

The seven investment dealers • Great Lakes, a financial services company controlled by the diversiel are Burns Fry: Dominion Securi- fied Brascan group, said it will take a 50 per cent interest in a mutual fund administration and distribu-Wood Gundy, all of Toronto; Richardson Greenshields of Winnipeg owned by the Toronto investment consultancy Connor Clark and

Between them, the member firms
have 300 offices and a salesforce of dian Imperial Bank of Commerce portfolio managers. The managers' have 300 offices and a salesforce of dian Imperial Bank of Commerce performance will be evaluated peri-

Genstar board to recommend Imasco bid

By Robert Gibbens in Montrea

THE BOARD of Genstar, the Canadian building materials and financial services group, is to recom-mend acceptance of a sweetened CS2bn (USS1.44bn) takeover offer from Imasco, the fast-food, tohacco products and retailing group, on the hasis of a minimum CS58 a share.

However, the final form of the deal bas yet to be negotiated. Imasco. 44 per cent controlled by BAT Industries of the UK, and the Gen-star board have agreed that Gen-star shareholders should receive at least CS54 cash per share, plus a Genstar security worth an amount to be negotiated but making the total price worth at least CS58 per

If agreement cannot be reached lmasco will pay CS58 a sbare cash, for all the Genstar shares. Its original offer two weeks ago was CS54 Imasco said it is only interested in Canada Trustco, the hig financial

assets of more than CS20hn, adding that Geostar's building materials, property development and other businesses would be sold off. Analysts have estimated that the Genstar non-financial services sub sidiaries have a value of between

services subsidiary of Genstar with

CS900m and CS1bn. Genstar management said the continuing talks with 1masco are aimed at providing the maximum return for Genstar shareholders, but will also consider how they could continue to participate in Genstar's non-financial services

operations. The Imasco offer is still conditional on getting 51 per cent of the Genstar votes. The Genstar senior management group is the third largest bolder of Genstar stock, with an estimated total of about 1.5m shares, worth around CS80m, assuming all were taken up.

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THE CME YEN OPTION

The CME now has yet another way to help you manage your foreign exchange exposure more effectively - an option on the

It's the latest addition to our successful line of currency options where the daily demand reached an all time record on 19th February with a tumover in excess of \$2.4 billion traded, putting CME comfortably ahead of any other Exchange.

Together with the CME's options on the Deutschemark, British pound, Swiss franc and Eurodollar, our new Japanese yen option gives corporate treasurers, investment managers, bankers and dealers even greater flexibility in managing rate uncertainty.

CME options can be used as "insurance policies" against future price fluctuations in hedging strategies, tender or take-over situations and as an insulation against translation exposures.

Leading banks, institutions and government dealers use CME options as an

essential dealing and arbitrage tool to lay off foreign currency and interest rate risk. The high volume of CME options and the tight pricing which arises from the link between our options and futures contracts has enabled our customers to benefit from an improved and even more sophisticated service.

For more information about how CME's range of options can help you protect yourself, contact Keith Woodbridge or Neil McGeown at Chicago Mercantile Exchange, 27 Throgmorton Street, London EC2N 2AN. Telephone: 01-920 0722. Telex: 892577 IMMLON G.



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Crédit Lyonnais Dresdner Bank Aktiengesellschaft Morgan Guaranty Ltd Nomura International Limited Enskilda Securities Standravista Enskilda Emred Morgan Stanley International Salomon Brothers International Limited Orion Royal Bank Limited Swiss Bank Corporation International Limited Shearson Lehman Brothers International S. G. Warburg & Co. Ltd. Union Bank of Switzerland (Securities) Limited

Pan Am to acquire Ransome Airlines

BY PAUL TAYLOR IN NEW YORK

PAN AM, the US airline, is to acquire Ransome Airlines, a small Airport international routes. Mr Ac-Philadelphia based regional carrier, in an effort to generate more passion and a mrs business is international,

The deal is the latest in a series of planned mergers announced by major US airlines and mirrors

with TWA on the lucrative transat-lantic routes, declined to disclose terms of its planned purchase. Mr Edward Acker, Pan Am's chairman and chief executive, said the acquisition was expected to be completed by April 15 with full operation timed at the start of June. Ransome, which will be renamed

completion of the deal, operates a fleet of 12 small airliners and has a roule system concentrated in the north-east, stretching from Portland, Maine, to Washington DC. Mr Acker said Pan Am plans to use its new subsidiary to set up a

feeder system generating business

BASEL/GENEVA/LAUSANNE

LUGANO/ZURICH

Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in any of the above locations. or details contact: Peter Lancaster Tel: 022 311603/4, Telex: 22589.

Pan Am Ransome Express upon

Pan Am's business is international, added, "a key element of Pan Am's marketing strategy is to increase its US domestic feed.

The proposed acquisition, such as the other recently announced US Trans World Airways' (TWA) reairline mergers, is subject to reguthe US Justice Department an-Pan Am, which competes directly nounced that it was opposing the planned 5884m merger of Northantic routes, declined to disclose on anti-trust grounds. However both Northwest and Republic are many of the Justice Department's objections revolve around the two airlines' dominant position in that

> In any event the US Transportation Department has final authority for approving or rejecting all airline mergers, and most industry analysts doubt whether the Administration will stand in the way of the sweeping restructuring of the US

NOTICE TO HOLDERS OF HAND DELIVERY SERVICE.

MITSUI REAL ESTATE DEVELOPMENT CO., LTD. (Mitsui Fudoran Kabushiki Kaisha)

7% per cent Convertible Bonds Due 1996 Pursuant to Clause 7(B) and (C) of the Trus Deed dated 12th December, 1980 under which the above Bonda were issued, notice is hereby given as follows:

which the above Bolton were issued, notice is hereby given as follows:

1. On February 21, 1988, and on March 28, 1986, the Board of Directors of the Company resolved to issue new convertible bonds in Japan on April 14, 1986.

2. The conversion price of the Bonds as in effect on the date hereof is Yen 443.10 per share of Commans Stock.

3. The aforesaid issuance of convertible bonds will not result in an adjustment of the conversion price of the Bonds.

INTISUI REAL ESTATE DEVELOPMENT CO., LTD. By: The Bank of Thkyo Trust Company

Brasilvest S.A. Net asset value as of 31st March, 1986 per Cr\$ Share: 196,834,083.59 per Depositary Share: U.S.\$42.273 per Depositary Shate. (Second Series) U.S.\$28,200.37

per Depositary Share: (Third Series) U.S.322,586.89 oper Depositary Share:

U.S.\$21,053.79

Phillips Petroleum to seek more than 2,000 job cuts

BY OUR FINANCIAL STAFF

2,580 in response to the changing conomic climate in the oil indusers of the company was not requiring an across the board re-

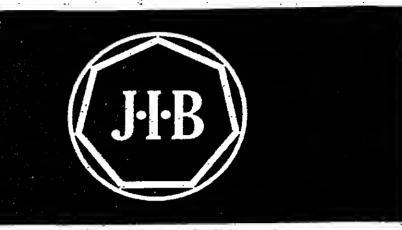
sharp cut in exploration spending. Mr Glenn Cox, president and chief operating officer, said exploration and production staffing in Bartles
Shell Canada, the big Canadian

requiring an across the board re-duction, but we anticipate that The heaviest cuts will come in the when all the individual groups and company's exploration and production operations, due mainly to a will have reduced our total work-

PHILLIPS Petroleum, the US integrated oil concern, hopes to reduce its workforce by between 2,000 and 2,500 in response to the changing wille, Oklahoma – the Phillips head quarters – and in Denver, Houston and London would be most affected.

Mr Cox said the commany was not (USS187m) pilot tar sands mining project to go ahead writes our Mon-treal Correspondent.

> The project, at Shell's Athabasca property in northern Alberta, will have a daily capacity of 7,500 bar-rels of bitumen. Plant construction



Extract from Accounts a	31st December	r, 1985
	1985	1984
	£000	£000
Issued Capital		
and Capital Reserve	16,234	14,757
Retained Profits	13,399	11.745
Subordinated Loans	15,248	18,949
Deposits	475,125	489.734
Loans	297,216	373,271
Total Assets	527,399	548,311
Profits before Taxation	4,210	4,184
after Taxation	3,130	2,513

Japan International Bank Limited

Shareholders

The Fuji Bank The Sumitomo Bank Daiwa Securities

The Mitsubishi Bank The Tokai Bank The Nikko Securities Yamaichi Securities " "

Turat of activity on the control of the control of



All these securities having been sold, this announcement appears as a matter of record only.

Province de Québec

U.S.\$250,000,000 9 per cent. Bonds 2016

Issue price 99½ per cent.

S. G. Warburg & Co. Ltd.

Credit Suisse First Boston Limited

Union Bank of Switzerland (Securities) Limited

Banque Nationale de Paris

Commerzbank Aktiengesellschaft

Crédit Lyonnais

Kredietbank International Group

Merrill Lynch Capital Markets

Swiss Bank Corporation International Limited IBJ International Limited

Orion Royal Bank Limited Lévesque, Beaubien Inc.

This announcement appears as a matter of record only.

OMRON

OMRON TATEISI ELECTRONICS CO.

U.S.\$100,000,000 4 per cent. Guaranteed Bonds due 1991

to subscribe for shares of common stock of Omron Tateisi Electronics Co. unconditionally and irrevocably guaranteed by

Warrants

The Mitsubishi Bank, Limited

Issue Price 100 per cent.

Nomura International Limited

Mitsubishi Finance International Limited Baring Brothers & Co., Limited Citicorp Iovestment Bank Limited

Credit Suisse First Boston Limited Goldman Sachs International Corp. Mitsui Fioaoce International Limited

Morgao Stanley International

The Nikko Securities Co., (Europe) Ltd.

Hill Samuel & Co. Limited Berliner Handels-und Frankforter Baok Crédit Lyonoais

Robert Fleming & Co. Limited Kuwait Foreign Trading Contracting & Investment Co. Morgan Guaranty Ltd

Société Générale Union Bank of Switzerland (Securities) Limited Swiss Baok Corporation International Limited

This announcement appears as a matter of record only

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U.S. \$60,000,000

(Multi-Currency)

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for the issuance of

Short-Term Negotiable Bearer Certificates of Deposit

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Reciprocal Line-of-Credit Provision in Domestic French Francs

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Kansallis Banking Group Monte dei Paschi di Siena Union Bank of Finland Ltd

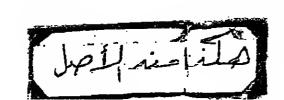
Banca Nazionale dell'Agricoltura Banco di Santo Spirito Banque Européene de Tokyo S.A. Copenhagen Handelsbank A/S First National Boston Limited

Generale Bank Istituto Bancario San Paolo di Torino

Kuwaiti-French Bank Sanwa International Limited WestLB International S. A. Luxembourg

Principal Placing Agents Merrill Lynch Capital Markets

April 1986



U.S. \$100,000,000

The Sumitomo Trust Finance (H.K.) Limited

(Incorporated in Hong Kong)

12% % Guaranteed Notes Due 1992



NOTICE IS HEREBY GIVEN that pursuant to Condition S(c) of the Notes, US \$1,000,000 principal amount of the Notes has been drawn for redemption on 6th May, 1986, at the redemption price of 1017 of the principal amount, together with accrued interest to 6th May, 1986. The senal numbers of the Notes drawn for redemption are as follows:—

2	1408	2055	2785	3945	4619	5536	6720	8608	9905	10560	11625	12864	13667	14565	15375	16687	17588	18426	19045
32	1490	2060	2855	3959	4720	5712	7163	8734	9940	10671	11892	12896	14084	14638	15476	16771	17606	18442	19088
83	1542	2085	2889	4075	4955	5722	7167	8763	9976	10757	12009	12943	14087	14711	15555	16918	17772	18663	19093
196	1551	2100															17912		
710	1648	2138															18212		
790	1660	2298															18229		
890	1702	2427															18244		
899	1835	2442															18254		
1060		2528															18294		
1760	1045	2427	2026	4614	5501	6714	ROA S	GART	10470	11525	17765	17676	1.4400	16744	16654	17521	18474	12057	19957

On the 6th May, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1986 to 6th May, 1986 amounting to US \$133.26 per US \$5,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue. Payment of the Notes to be redeemed will be made on or after 6th May, 1986 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents mentioned thereon. After 6th May, 1986 US \$17,000,000 principal amount of Notes will remain outstanding.

The Chase Manbattan Bank, N.A., London, Fiscal and Principal Paying Agent

4th April, 1986

These securities have been sold outside the United States of America and Jopan. This an

NEW ISSUE

¥10,000,000,000 KAWASAKI STEEL CORPORATION

7½ per cent. Dual Currency U.S. Dollar/Yen Notes due 1996

Issue price 101 per cent.

Nomura International Limited

Dai-Ichi Kangyo International Limited

Mitsui Trust Bank (Europe) S.A.

BankAmerica Capital Markets Group Banque Paribas Capital Markets Limited

COMMERZBANK Aktiengesellschaft **Credit Suisse First Boston Limited** Hill Samuel & Co. Limited

Mitsui Finance International Limited

The Nikko Securities Co., (Europe) Ltd. J. Henry Schroder Wagg & Co. Limited LTCB International Limited

Yamaichi International (Europe) Limited

Banque Internationale à Luxembourg S.A. Chase Investment Bank

1st April, 1986

Crédit Lyonnais Daiwa Europe Limited **Manufacturers Hanover Limited**

Morgan Guaranty Ltd

Nippon Kangyo Kakumaru (Europe) Limited **Swiss Bank Corporation International Limited**

Taiyo Kobe International Limited

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

March 17, 1986



\$50,000,000

The Armstrong Rubber Company

7%% Convertible Subordinated Debentures Due 2011

The Debentures are convertible into Common Stock of the Company at any time on or before March 15, 2011, unless previously redeemed, at a conversion price of \$20 per share, subject to adjustment in certain events.



The First Boston Corporation

INTL. COMPANIES & FINANCE **Bell set**

Sharp increase in group profits at Cheung Kong

BY DAVID DODWELL IN HONG KONG

India drops

tax proposal

MR VISHWANATH PRATAP SINGH, tha Indian Finance Minister, has announced the withdrawal of a controvarsial proposal in the 1986-87 budget imposing a tax on dividends earned from investments by one

company in another, Reuter reports from Delhi.

by Parliament next month.

siel measure, known as modified

MITSUI PETROCHEM 15/2/90
NIPPON MINING (01a) 17/2/99
NIPPON MINING (10b) 15/0/90
NIPPON OIL S/3/91
NIPPON YUSEN K K 18/10/90
NISSHO IWAI 1/2/89
NOMURA SECURITIES 31/10/88

DAIWA EUROPE LIMITED

JAPANESE EQUITY WARRANTS SERVICE

He siso offered concessions

dividend

CHEUNG KONG, the Hong Kong holding company controlled by Mr Li Kashing, yesterday reported consolidated net profits for last year of HK\$551.7m (US\$70.7m) more than 2½ times the 1984 profit of HK\$213.5m which had been depressad by a number of major provisions.

The majority of Cheung Kong's profit—about HK\$474m —resulted from a strong performance by Hutchison Whampoa, the trading, property and utilities group in which it holds a controlling 35.1 per cent stake. In 1984, Hutchison A strong inflow of cash in International City Holdings

HY Li said yesterday. He prethough the group "will the group the group "will the g

tions raised by BHP in recent litigation in the Victoria Supreme Court. Malaysia monitoring move

will in future closely monitor company listings on the Knala Lumpur Stock Exchanga (KLSE), to prevent too many public share offers. Reuter reports from Kuala Lumpur.

The exchange's Capital Issues The exchange's Capital Issues Committee (CIC) said priority would be given to companies involved in tourism, manufac-

involved in tourism, manufac-turing, agriculture and export-orientated activities.

The CIC, which supervises the local securities industry, temporarily froze new listings on the KLSE last February. Since then only three naw list-ings, have heen permitted.

A CIC official said it was now studying applications from some companies for listing. Ha said the CIC had issued a set of guidelines on excise drites which, he said, would mainly benefit small businesses. The budget is expected to he formally approved The withdrawal of the dividend tax is expected to boost investment in stock markets, hrokers said. But they added that the Government had not withdrawn another controversial measure known as medical guidelines

The KLSE plans to launch a

to curb share offers previous partial offer, which aimed for between 20 per cent THE MALAYSIAN Government single composite stock market and 34 per cent of BHP on top of its current stake of nearly index today to replace its pre-sent six-sector index, the CIC lowed a month of litigation incritated by BHP challenging Bell's initial offer document.

sent six-sector index, the ClC added.

The new KLSE Composite Index was being introduced because the present one was out-dated and did not fully represent all segments of a changing local market, it said. The 83-component index is intended to reflect share performance more closely, be sensitive to investor expectetions Bell to the BHP final dividend, payshle on May 28, and yet to be declared. Consequently, it would be made only if it could be despatched to shareholders on or before April 22, Bell tive to investor expectetions and he indicative of government and he indicative of government policy and economic changes.

Shell Refining Company, a member of the Royal Dutch/Shell group, said its net profit rose to 39.6m ringgit (\$15.1m) in 1985 from 36.4m ringgit. Turnover rose to 1.81bn ringgit from 1.75hn ringgit.

Tha final dividend was unchanged at 11 cents, making 17 cents for the full year against ment of the BHP dividend is altered, the offer would be mada only if it could be despatched at least five weeks before that

An extraordinary meeting of Bell Resources to consider a placement of shares to Bell cents for the full year against 16 cents in 1984. Payment date is June 2 for shareholders registered on May 9. Gronp, its parent—which was adjourned for a month from March 18—has been cancelled,

Philippine National Oil boosts net earnings

PHILIPPINE NATIONAL OIL agents which erranged charters

Mrs Aquino. It is alleged to by Mrs Aquino on a caretaker have paid excessive commissions capacity for at least three on freight rates to shipping months.

to launch

BHP bid

company, said yesterday it had lodged a fresh takeover document seeking to bid for shares in Broken Hill Proprietary (BHP), Reuter reports from Melbourne. Full details of terms and price would be announced on notice to the Melbourne Stock Exchange. It indicated, however, that the new offer would be designed to overcome object

Bell said It had chosen to assume the validity of BHP's objections rather than engage further in the commercially wasteful exercise of contesting

the issues raised.

Last week Bell dropped its

19 ner cent. The withdrawal fol-

The offer would be made on

If the announced date for pay

fresh

PHILIPPINE NATIONAL OIL COMPANY (PNOC), the state energy development agency, boosted net profits by 11 per cent last year to 800m pesos (\$40m) on sales which rose 5.5 per cent to 21.9bn pesos.

Mr Geronimo Velasco, PNOC chairman, fled abroad after Mr Ferdinand Mercos was ousted as President in February. The new Government of President Corazon Aquino plans to return the company to the private sector.

agents which erranged charters to transport imported oil from to transport imported oil from set of under Mr Velasco, paid commission in excess of the stendard rete of charters arranged since 1975, the commissions paid ranged from 5 per cent to an unusually bigh 8.25 per cent.

PNOC is now heeded by Mr

PNOC is now heeded by Mr The company is under investi-gation by a special anti-corrup-tion commission established by who accepted the post offered

Singapore seeks extradition of Pan-Electric executive

begun extradition proceedings in the US against Mr Peter Tham Wing Fai, a central figure in the failed Pan-Electric Indus-

tries.
Mr Tham was traced to Seattle, Washington, by the Federal Bureeu of Investigation a fortnight ego. The Singapore authorities have issued a warrant of arrest for elleged stock market manipulation. Pan-Electric was the marine

salvage, property and hotel group that collapsed under the weight of \$\$400m (US\$183.5m) in debts and \$\$140m in forward share contracts, leaving the shakeup of the Singspore and Malaysian stockbroking indus-

THE Singapore Government has stockbroking firm and of the

Singapore prosecutors heve said that the group's collapse wes the result of a conspiracy to use funds of companies in the group without obtaining board approval. Mr Tan Kok Lisng, the former Pan-Electric finance

chief, plesded guilty to two charges of criminal breach of trust involving S\$54,000 and is now serving a 15-month sent-

Mr Tan Koon Swan. shakeup of the Singspore and Malaysian politician business-man, is due to stand trial on tries.

As a former director of 8 from criminal conspiracy.

All of these securities have been sold. This announcement appears as a matter of record only.

March, 1986



Reuter Monitor DABF/G/H/I/J/K/L - Further info Freddy Glock or Reverly Kelly on 01-235 & Daiwa Europe Limited, 14 St Paul's Churchyard, Lon-

America West Airlines

\$80,000,000

71/3% Convertible Subordinated Debentures Due 2011 Interest Payable on April 1 and October 1

The Debentures are convertible into Common Stock of the Company at any time prior to maturity unless previously redeemed, at \$14 per share, subject to adjustment under certain conditions.

L.F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

DEAN WITTER REYNOLDS INC.

price.

Borrowers flock to the **Eurosterling market**

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Lloyds Merchant Bank calls it ketchup principle: You shake the bottle for o long time while nothing comes out. he says. Then it all comes in a

The flood of Eurosterling bond issues since the Budget last month certainly fits this description. Buoyed by the relative strength of sterling, yields have fallen sharply and horrowers have flocked to the market. The chart shows how new fixed rate issue have liven running ot record levels.

It all adds up to what some hankers suspect could be the start of something great for a market that up till now has operated in fits and starts. The most optimistic argue that the performance of sterling and UK interest rates even in the face of steeply falling oil prices means the pound has shaken off its petrocurrency status. That could open the door to a bond msrket less volatile than be-fore, with a steady flow of issues boosting the role of ster-ling in the international capital markets.

Yet the question that backers now bave to decide is whether such ideas are for real. or whether they are just a flight of fancy. Some of the new issues Isunched since the Budget have met only limited demand, ond the debate has been muddied by the sudden appearance of a string of UK corporate bor-rowers launching issues on hitherto unacceptably long msturities.

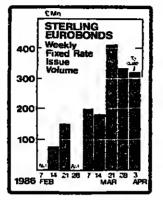
Eurosterling market has caught satellite market, far more the imagination of some Euro- limited in scope and importance pean investors, and recently than the much larger inter-Japanese investors too, at this national bond sectors in dollars, stage of 1986. The dollar has D-Marks Swiss francs and yen. weakened markedly and they are looking to diversify into other currencies. Sterling still offers high yields compared with other alternatives such as the D-Mark, ven and Swiss franc. And the cautious stance of the Budget has brought expectations of lower interest rates, with the accompanying

promise of capital gain. Yet the market also now hears the ballmarks of a problem common in other sectors too. In their entbusiaom, new issue managers have overloaded the market with new paper and some recent bonds launched on

NEW ISSUE

hond for Industrial Bank of Japan, have met a distinctly lukewarm reception.

The problem is that there are one, which involves a structural change and the appessance of UK institutions as buyers of longer-dated bondo, tends to abscure the fact that for those retail investors in Europe who traditionally buy Eurosterling paper from time to time on mainly currency considerations, little sppears to have changed. Their demand for sterling bonds has been lifted for the time heing by the



relative oil prices, but it does not yet appear to he a once and for all shift into British currency.

Eurosterling market retains its It is easy to see why the oil characteristics. It is still a It 10 also far from certain that the market has outgrown its stop-go past, While thio week's cliche might he that sterling has lost its petrocurrency vola-tility, that could change over night if different factors rise to dominste bankers' thinking.

On the other hand the upsurge in activity at the long-term end of the maturity spectrum seems to promise something more permanent in the woy of change. It storted with a little-noticed change in London Stock Exchange regulations about o year sgo which lifted the ten-year maturity limit on listing eligivery tight coupons, such as the bility for sterling corporate 91 per cent deal for Nippon Eurobonds. With the Imposition

MR ANDREW WINCKLER of Credit Bank and the 91 per cent in the UK Budget of a 1 per cent stamp duty on the trading of domestic issues, it was natural for investors to seek route into the Euromarkets and. starting with a £100m issue for Imperial Chemical Industries, a flood of longer-dated issues was

names. The issues coincided with an issue yields on seven-year ster-ling paper down from 10.77 per

big hang later this year and the introduction of a US-style primary dealership system for UK government bonds. Ahead of this, some of the houses went to dip their toes in the water and to acquire inventory of longer-doted sterling psper. Altogether the demand has

been grest enough to allow corporate borrowers to issue hearer securities without the nearer securities without the sort of restrictive financial covenants that the domestic market usually demands. That has removed one important obstecle to the development of o flourishing UK corporate debenture market even if it has blurred, probably permanently hlurred, probably permanently, the distinction between the domestic and international sides of the sterling capital market.

Most bankers sey that whe bas bappened in the sterling bond markets over the past few weeks is simply the develop ment offshore of a sterling cor porate dehenture market has little to do with the traditional Eurosterling market proper. Technical changes in the Budget bave belped this process, but the compelling resson for this sudden change has been that the rates availsble to corporate issuers in the once become attractive. Longterm rates are now at 20-year lows. What bappens next depends heavily on whether the Government manages to keep

Novel equity warrant issues well received

sgainst a fall in the underlying share price. One was a \$400m issue for Mitsuhishi Corpora-tion, the lorgest ever with equity warrants, which met an nthusiastic reception.

The Eurobond market overall saw a continuing flood of new issues, with several borrowers braving the dollar straight sector as New York bond market prices appeared to he stohilising after the past few days' unsteady ride on the back of oll prices. Although the over-all mood remained hullish, caution prevailed in the dollar sector, particularly as some issues isunched earlier in the week were trading well outside their total commissions.

their total commissions. The first of the new equity warrant deals was a private placement for Nippon Credit Bank this week.

Demand was further hoosted, some bankers argue, by the activity of investment houses positioning themselves for the big hang later this year and the

cent above the share price as is typical on such issues, will be reset in 1990 at the same premium above the chare price the time. The concept, akin to an option on an option, would have little effect if there was a

TWO INNOVATIVE issues of sharp increase in the share bonds with equity warrants price. Investors would exercise were onnounced yesterday, offering investors protection into the higher exercise price. But in the event of a share price fall, which would normally make the warrant worthless, the warrants would be given volue by the prospect of, and then the change to o lower exercise

Soon after the Chugoku issue was announced, Nikko Securlties unveiled Mitsubishi's \$400m issue, with an eight-year life and 3} per cent indicated coupon. Merrilt Lynch is joint lesd and Citicorp Investment Rank one of the collecte. Bank one of the co-leads.

The exercise price will be reset in 1991 of 24 per cent over the share price, but with a limit in each direction: s ceiling of no more than 120 per cent of the original exercise price, and a figor of 80 per cent. This tunnel was spparently set because the size of the deal would bave meant that hig swings in the shore, and con-sequently the exercise prices would have made e significant difference to the borrower's capital. Equity warrant desis are

normally well received, but the Mitsuhisbi name helped the issue to rise to 1061 bid, 108 In the conventional dollar

MoF smiles

on Tokyo's

By Yoko Shibata in Tnkyo

THE JAPANESE Ministry of

Finance has breathed new life into the much discussed

plan to establish an offsbore

market in Tokyo. The market

is to begin operations this

autumn with assets of \$85bn.

and the Government will restrict usage of loans bor-

rowed from foreign exchange

banks' special accounts at the

This was disclosed vester

day by Mr Toyoe Gyeten,

director-general of the Finance Ministry's inter-national financial bureau, in answer to opposition parties'

questions at 8 Parliamentary

The creation of an offshore

Finance Committee meeting.

offshore hanking centre.

straight sector. Nippon Rokan, the steel-maker, launched a \$100m issue led by Chemics! Bank International, with a 7½ per cent coupon and seven-year life, priced at 101½. The issue, for a non-rated sithough fairly well-known borrower, was seen as aggressive with a net margin at issue of 41 basis points over US Treasuries.

It was launched by a "direct another S50m issue, for Scottenance and Newcastle Breweries, subshi Trust and Banking, and the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The deal, led by Hill Samuel, it continues the recent pattern of long-dated ing. The recent p

Merrill Lynch Capital Markers led a \$100m issue on its parent company's behalf, for five years with o 7½ per cent compon and 100½ price. The issue had a 61 hasis point spread over Treasuries, seen as quite tight.

Manufacturers Hanover launched the first Eurobond issue for Italy's Cassa di Risparmio della Provincie Lomharde (Cariplol, the world's largest savings bank. The zero-coupon dest, with a nominal amount of \$100m, was priced at 69.8 with a five-year life. The market saw the zero-coupon structure, which gave e spread over Treasuries of 57 basis points at launch, as smbittous for a borrower which had not previously ventured into the deted straights, are more came at a 35 basis point spread volatile, and volatility is what investors want at the momant.

The Society for Savings Connecticut S & L. made a \$75m

onnes in the province.

Bell Canada's C\$150m deal over Canadian Treasuries with investors want at the momant.

a 91 coupon and 1001 price, and is callable after 10 years.

The Eurosterling sector canadian treasuries with its coupon and 1001 price, and is callable after 10 years. market. The issuer's reasoning was that such issues, like long-

sector saw o popular issue from Rabobank Nederland, led by Swiss Bank Corporation Inter-national. With a 10-year life, the Ecu 75m offering has a 71 per cent coupon and 101 price. It traced substantially within

its fees. The Municipal Finance Authority of British Columbia made a C\$65.5m-15-year issue in a sector which also gave a good reception to the first 20-year paper launched on Wednesday UBS (Securities) for Bell

Commercial de France as book-runner, has o 91 per cent coupon and par pricing. The awk-ward amount represented not a swap, but the total requirements of individual municipal auth-orities in the province.

made a Y18hn 10-year issue with a 6 per cent coapon, priced at 1011 by Mitsubishi Finance International.

The Swiss market continued to see a flurry of issues. The World Bank made a perpetual issue in Switzerland and a F1 200m issue in the Netherlands. Its SFr 250m issue, with a 51 per cent coupon and par pricing, was led by Union Bank of Switzerland, and the Dutch deal by Algemene Bank Neder-

Other Swiss issues included: The MFA deal, with Credit a SFr 150m Issue for Canon commercial de France as book- Sales, SFr 150m for Oesterreichische Kontrollbank, SFr. 100m for Tabu Raitway, SFr 100m for for Tabu Railway, SFr 100m for Swap, but the total requirements for Kansai Electric, and for individual municipal authorities in the province.

Bell Canada's C\$150m deal time at a \$5 basis point spread over Canadian Treasuries with a 91 coupon and 1001 price, and is callable after 10 years.

The Eurosterling sector saw for Tabu Railway, SFr 100m for Tokai, Prices were up about 1 in moderate trading. In West Germent, prices rose to to 1. The European Investment and price of the Eurosterling sector saw for Tabu Railway, SFr 100m for Tokai, Prices were up about 1 in moderate trading to 1. The European Investment and price of the Eurosterling sector saw for Tabu Railway, SFr 100m for Tokai, Prices were up about 1 in moderate trading to 1. The European Investment and price of the prices were up about 2 in moderate trading to 1. The European Investment and price of the prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading to 1. The European Investment and prices were up about 2 in moderate trading 2 in the 1. The European Investment and prices with a 12-year life; 5 in 1. The European Investment and prices were up about 2 in moderate trading 2 in the 1. The European Investment and prices were up about 2 in moderate trading 2 in the 1. The European Investment and prices were up about 2 in moderate trading 2 in the 1. The European Investment and prices were up about 2 in moderate trading 2 in the 1. The European Investment an

\$238m Olympic credit for NBC A US\$238.2m letter-of-credit confirmation facility for by NBC under a standby letter-of-credit facility provided by Second Olympic Games bas been launched by a group of the US in relation to the 1988 Seoul Olympic Games bas been launched by a group of the Second Olympic Games bas been launched of the Second Olympic Games bas bas been

offshore market bas been launched by a group required payment under the Pacific have joined of banks, according to BT Asia, facility, the underwriting banks, lead underwriters. the lead underwriter, Reuter

reports from Hong Kong. NBC has just signed a commercial contract for US television rights of the 1988 games. The contract provides for certain conditions under which NBC can claim refunds and other psyments from the Seoul Olympic Committee.

pay NBC instead.

The underwriters are there-fore taking KEB's risk, and not that of the Olympic broadcast-

which provide NBC with a con-firmation of the facility, will underwriters are now being recruited to make up the con-

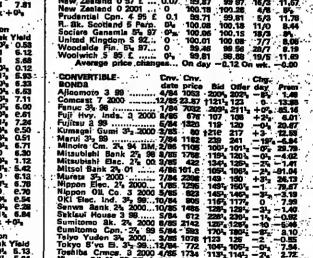
firmation group.

In addition, a number of banks will be invited to share. ing contract. the risk of the underwriters.

NBC will pay the banks in vide confirmation for the letter. volved a management fee, a But these banks will not pro-commitment fee, and a con- of credit facility.

FT INTERNATIONAL BOND SERVICE

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Keating to join CSFB as UK economist

Mr Giles Keating, a top mone tarist economist from the London Business School, is to join Credit Suisce First Boston next month as its UK economist writes Peter Montagnou.

The move comes as CSFB is rapidly but quietly expanding its research effort, which it perceives as 8 gap in services offered by many Eurobond Research is one of the most

Important differentiating factors," Mr Richard Briance, a CSFB executive director. said yesterday. "There is a growing need for people who can pull together the various different trends that are moving so fast in inter-national markets."

Mr Keating, who will be responsible for UK economic research at CSFB, is currently 9 research fellow at the Centre for Economic Fornessing of the Version of the Centre for Economic Fornessing of the Version of the Centre for Economic Fornessing of the Version of the Centre for Economic Fornessing of the Version of the V Forecasting of the London Business School

MARCH 1986

market is designed to induce non-residents to conduct transactions with other non-residents in Tokyo. The market will operate at the time when the New York and London morkets are closed. The Mor predicts that the new market will not only redace operating costs for many Japanese financial institu-tions, such as regional banks, which lack overseas ontlets, but will also offer a broader scope of activity to foreign hanks operating in Japan. The Tokyo offshore banking

facility is following the more conservative line of a similar facility in New York, rather than the pattern of the London market.

One uncertainty arises from the fact that the securities the fact that the securities houses will not be permitted to overate. The Issuance of certificates of deposits (CDs) will not be permitted since the MoF considers that it would be difficult to block the flow of money between the domes-tic and offshore markets in

Another potential problem is leakage of funds between a largely deregulated offsbore market and a domestic market where interest rate con-trols and withholding taxes still apply.

SFr 1.64bn raised by Eurofima

By William Duliforce in Geneva EUROFIMA, the joint stock eompany owned by 16 Euro-pean national railways, ralso, the equivalent of SFr 1.64hn (\$840m) in medium- and long-term fluancings last year, for 1985. This was SFr 216m less than in the previous year. Of the 1985 total, SFr 243m were used for refinancings, SFr 155m were not due until this year and SFr 1.24bn were made available to 12 shareholders for the purchase of

rolling stock.

The Basie-based essentially a financing instru-ment for the railways, is estimated to have financed about a quarter of its share-holders' investments in roiling stock in recent years on terms better than the railways could have achieved on their

At the end of 1985 the outstanding deht of the railways amounted to SFr 8.44hn, of which 41 per cent was in Swiss francs and 21 per cent in P-marks. The three main beneficiaries of the herrogular beneficiaries of the borrowing were the national railways of France, Italy and Germany In its 1985 report Eurofiroa shows a net income of SFr 28.5m, up hy SFr 1.5m, and

28.5m, up hy SFr 1.5m, and proposes to pay the statutory dividend of 4 per cent on the pald-up capital of SFr 250m. An allocation of SFr 17m to the reserves raises them to SFr 144m. With a share capital of SFr 750m, this gives a total equity of SFr 894m against borrowed capital of SFr 8.5bn.

9% Debentures Due 2016 Salomon Brothers International Limited

Credit Suisse First Boston Limited

Nomura International Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

These Debentures have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered in the United States of America or to nationals or residents thereof,
These Debentures having been sold, this announcement appears as a matter of record only.

U.S. \$300,000,000

Julius Baer International Limited Banque Nationale de Paris

Banque Bruxelles Lambert S.A. **Deutsche Bank Capital Markets Limited**

Goldman Sachs International Corp. Lloyds Merchant Bank Limited LTCB International Limited Merrill Lynch Capital Markets **Morgan Stanley International**

Morgan Guaranty Ltd Algemene Bank Nederland N.V.

Banca Commerciale Italiana

Banca Nazionale del Lavoro Bank Leumi le Israel (Switzerland) AG

Bank of Tokyo International Crédit Lyonnais

Banca della Svizzera Italiana

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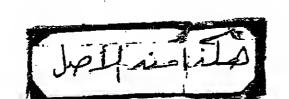
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Westdentsche Landesbank

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All of these securities having been sold, this announcement appears as a matter of record only.

\$1,500,000,000



exy Occidental Petroleum Corporation

\$600,000,000 10% Senior Notes due March 15, 1991 \$300,000,000 10½% Senior Notes due March 15, 1993 \$600,000,000 10%% Senior Notes due March 15, 1996

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Donaldson, Lufkin & Jenrette
SECURITIES CORPORATION

Kidder, Peabody & Co.

Shearson Lehman Brothers Inc.

Dean Witter Reynolds Inc.

Morch 1986

All of these securities having been sold, this announcement appears as a matter of record only.

\$1,000,000,000



Occidental Petroleum Corporation

11¾% Senior Debentures due March 15, 2011

The First Boston Corporation

Salomon Brothers Inc

March 1986

Burton reaches City target with £74m

Burton Group, the retailer, yesterday announced interim pre-tax profits of £74.3m, more than donble the £34.7m re-corded in the same period of last year.

However, the figures are not directly comparable since this year's include a first time contribution from Debenhams, the department store chain acquired in a £560m takcover battle last

August.
The figures were in line with market expectations and Burton sbares closed at 348p, unchanged on the day.

on the day.

Earnings per share are 8.6p (6.13p) and the interim dividend is being increased from 1.25p to 1.6p.

The group said that in the 26 weeks to March 1 sales totalled £620.5m, compared with £263.9m in the same period of last war. Trading profit was last year. Trading profit was £91.7m (£34.6m) and net interest was £17.7m (£0.6m).

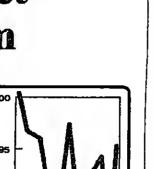
Sales, excluding Debenhams, were up 28 per cent, with market penetration increasing through the addition of new shops, modernisation pro-grammes and the extension of merchandise ranges.

Debenhams sales rose by 11 per cent, compared to an 8 per cent figure given in January at the time of the Burton AGM. The company said this reflected a strong finish to the first half. It declined to spell out Debenhams contribution to profits but said the core Burton
husinesses had broadly maintained their trading margins.

The plan was to
fit the year. The plan was to
freduce it to around £200m in a
couple of years, in part through
tained their trading margins. It confirmed that Debenbams had met the £60m pre-tax profit ary I which it announced during the takeover battle, and

There have been 850 job losses at Debenhams as part of a post acquisition rationalisa-

had been helped to do so by new Burton outlets introduced



bad been invested in Deben hams. Capital spending for the year was expected to total about £110m, with some £40m of this going towards improvements in Debenhams' merchandise ranges

19B5

Burton

and selling environment. Apart from Debenhams, the group would be adding 66 additional shops and modernising 66

Group debt had risen from around £250m at the year end to a figure "in excess" of 300m and was expected to remain around this level for the rest hams businesses.

It is expecting to realise about 10m from the sale of US properly assets and also wants to sell Dehenhams chain of US shoe shops.
A breakdown of group turp-

to the department stores during the period.

There have been 850 job losses at Debenhams as part of the department stores during over by activity shows mens-wear with £297.5m (£124.5m) and home and other activities with £82.7m this time. Mr Halpern said that the

contributed to the increase in the group's clothing market share io nearly 9 per cent.

Capital expenditure in the first half totalled £53.4m (£33.7m), of which some £14m

See Year three new Burton businesses launched during 1985—Prin-

Guinness not to raise offer for **Distillers**

By David Goodhart

Guinness announced last night that it would not be in-creasing its hid for Distillers today, the final date on which tt could have done so, and that its existing offer was

6 nal.

This surprising twist to the long-running battle between Guinness and Argyll Gronp for control of Distillers leaves the Guinness share offer ahout 20p higher than Argyll's valning eoch Distillers share at 750p and the whole company at 2.72hn. But Argyll's 660p cash alternative is 30p higher than that of Guinness.

Guinness's reasoning in defying market expectation appears to be that a rise in the value of the share offer would probably be negated by a drop in its share price and that the cash alternative la now of little importance in the ontcome.

Guinness is relying on the fact that the industrial logic of its hid will be seen as superior to that of Argyll's and that it can win even if Argyll's valuation of Distillers was to pass its own.

The company said yesterday in a circular to share-bolders: "GnInness and Distillers are in the same business at home and ahroad and are a natural 6t. Argyll is not in the same husinessit is mainly a supermarket husiness operating in the

Mr David Webster, the Argyll finance director, re-torted: "Gulnness bave denied themselves an opportunity to place the issue beassume that they have not been able to."

Guinness also announced that its profits for the year will not be less than £130m and that earnings per share of the combined Guinness and Distillers company in 1986 would be not less than earnings per share of Guinness on its own. "This confirmation has been made after discussion with the Papel on Take-overs and Mergers." said

Gninness. Guinness closed 14p np at 341p, Argyll was 15p np at 360p and Distillers closed 12p

The second secon

David Churchill looks at Dixons' £1.75bn takeover approach to Woolworth

Another High Street battle in store

"IT WILL take seven years to get the Woolworth operation right," asserted Mr John Beckett in late 1982 when chairman of Paternoster Stores, the 6nancial consortium hrought together by the City to buy out one of Britain's biggest retailers from its US parent for some £315m.

Mr Beckett retired as Woolworth chairman last Monday. worth chairman last monday, half-way through his seven-year plan for the stores chain hut confident that Woolworth was now on course to become a major retail force again in the late 1980s and heyond.

Last week the 875 Woolworth Last week the 875 Woolworth High Street stores turned in trading profits for the year ending February 1 1986 of £17.6m. after a loss in the previous year of £5.1m. Group pre-tax profit was up 43 per cent to £81.3m on sales of £1.8bn.

"We know what we want to do with the stores and we have the management team to do it." were his final words as chair-man before retiring to the Isle

Yesterday, however. Dixons Group gambled that the City backers who financed the 1982 takeover were becoming disenchanted at the slow progress in bringing the wonder back to Woolworth.

Dixons launched a takeover bin for Woolworth valuing the stores group at some £1.75bn—a bid that was immediately rejected by Woolworth as being "derisory."

The scene is now set for yet another bitter takeover battle between retail groups deter-mined to re-sbape Britain's

High Streets.
Dixons, itself, was involved in one of the most vitrolic bid battles of recent years when it took over the rival Currys chain late in 1984 just when familyrun Currys was celebrating Its

centenary.

What has sparked off the series of retail mergers in the mid-1980s was the fallure of some major store groups to adjust to an era of low inflation and recession.

Rapidly rising prices in the late 70s masked the managerial deficiences in many store chains —it was easier to jack up prices worth.



Mr Stanley Kalms, chairman of the Dixons Group

of the lifestyle they wanted to rather smugly rested on its ment. lead.
Dixons bas emerged in the 80s as one of the new breed off successful retailers because in bas capitalised on both these

Mr Stanley Kalms Dixon'a chairman, has secured a hard-won reputation in the City for running a highly professional retail management team — "re-

tail engineering," as Mr Kalms likes to call it. Strict attention to retail sys-tems — stock control, merchandising, and cash flow — enabled Dixons to thrive when the retail going started getting tough in the early 80s.

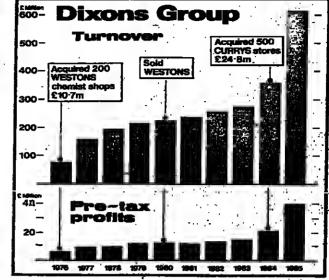
At the same time, Dixons had overcome its rather tarnished image in the 70s to cultivate the young, upwardly mobile and seeking the latest audio and predominantly male customers' video nroducts. "Dixons bas established a niche as the shop for huffs to go for bigb-tech," points out Mr Nick Bubb, a re-

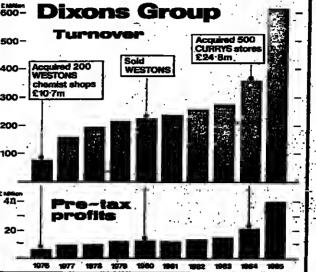
tail stores analysts with stock-hrokers Scrimegours.

While Dixons bas so far successfully tackled the chang-ing — and competitive — retail environment of the 1980s, the

Raphu,
late '70s masked undeficiences in many store chanded deficiences in many store chanded with significant changes in consumer huying patterns.

Retailers found that consumer successful did this strategy become that hy the end offer a concept of the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did retained to the 1930s Woolworth had become Britain's most successful did this strategy become that hy the end to the 1930s Woolworth had become Britain's most successful did this strategy become that hy the end to the 1930s Woolworth had become Britain's most successful did this strategy become that hy the end to the 1930s Woolworth had become a successful did this strategy become that hy the end to the properties where the properties worth.







laurels and never developed its potential in post war Britain.

Mr Beckett hrought in Mr Geoff Mulcahy and Mr Nigel Whittaker from British Sugar and set about carrying out fairly basic "good bousekeep-ing" measures such as pruning product ranges, selling off un-wanted stocks, and reducing head office administration.

At the same time, about 150 stores have been disposed of to raise finance not only for re-furbishing the remaining 875 stores hut also to coahle the company to buy the Comet electrical discount chain in 1984. (Dixons plans to sell off Comet to avoid possible conflict with to avoid possible conflict with the Monopolies and Mergers Commission). This acquisition was almed at spreading the group's retail operations to make it less dependent on the High Street variety stores. Its dependence on the main chain had already been lessened

ment.

In mid-1984, Woolworth's management started to concentrate on their marketing strategy. Six key product areas were identified, design consultants were brought in, and several new retail concepts were experimented with.

Last week Woolworth—perhaps expecting a takeover bid to emerge—announced that it had refined its marketing thrust and was planning to drop seli-

potential in post war Britain.
By the early 1980s the company was in a sorry state, kept
affoat only by the sheer size
of its operations. The US
parent — with problems of its
own — was only too pleased to
sell the UK company to Paternoster in late 1982.
The City institutions bebind
Paternoster brought in Mr
Beckett to turn the business
round after he bad failed to
save British Sugar from an unwanted takeover by S & W
Berisford. (Berisford itself is
now seen as a possible takeover target).

Mr Beckett hrought in Mr

management started to concentrate on their marketing
strategy. Six key product
areas were identified, design
consultants were brought in,
and several new retail concepts
were experimented with.

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were experimented to other
many ever identified, design
consultants were brought in,
and several new retail concepts
were experimented to
the life of the product of

and toys; stationery and confec-tionery; records, cassettes, and video tapes; diy products and borticulture; table and kitchenware; and personal care products.

conglomerate (from parts, fuel

to the used car market) could work. In the past integrated motor groups have suffered from not being fleet enough of

immediate return. In the longer term, however, it intends to creata an "exciting and coherent chain of bome, entertainment, and leisure stores," but is a bit vague about exactly what this means. Areas such as children's cloth-

ing, stationery, and cosmetics will disappear from Woolworth stores and instead there will be greater concentration on andio and video equipment, domestic appliances, and diy and garden-

ing products.

Dixons also rules out any large-scale disposals of sites—although as many as 200 stores

could go—
The prospects for Dixons succeeding in its take-over bid will depend largely on the views of the City institutions who backed Paternoster. Certainly, Mr Kalms made clear yesterday that he is not

products.

Dixons, however, was not impressed. "There is no coberent product range in Woolworth stores." said Mr Kalms yesterday. "They are all over the place."

Dixons also estimates that sales per sq ft for the latest financial year were £127 and profits per sq ft were £8, on Sunday trading. Woolworth compared with £552 and £44 is one of the main lobbyists in respectively for the core support of scrapping all conditions."

Clear yesterday that he is not seeking any seven-year period in which to put Woolworth right. "There's no such thing as the long-term in retailing," he says, "it's all about reacting fast to market conditions."

One unexpected consequence of the Dixons bid is that it could affect the current debate on Sunday trading. Woolworth is one of the main lobbyists in support of scrapping all conditions."

What exactly Dixons will do off Dixons to help see the Sun-April 27 1985 may find itself too husy fending
What exactly Dixons will do off Dixons to help see the Sunto Woolworth remains to be day Trading bill through its seen as it is being coy about final crucial Parliamentary its new strategy which it stages.
believes can be more successful Moreover. Dixons is not

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bank leumi le-Israel b.m

CONDENSED CONSOLIDATED STATEMENT OF CONDITION OF BANK LEUMI LE-ISRAEL B.M. AND ITS SUBSIDIARIES AS AT 31 DECEMBER 1985 Adjusted for the effect of inflation*

	(in the	usands)
ASSETS	New Israeli	
	Shekets	U.S. Dollars**
Cash in hand and deposits with central banks	5,692,383	3,796,187
Deposits with banks	S,853,590	3,903,695
Debentures for investment	1,068,397	712,502
Shares for investment	147,328	98,251
Securities for trading Loans to the Government	584,646	389,894
(principally deposits with the Treasury)	7,849,374	5,234,661
Loans to the public	11,333,790	7,558,380
Bank premises and equipment	622,018	414,817
Other assets	105,629	70,443
	33,257,155	22,178,830
LIABILITIES AND SHAREHOLDERS' EQUI	ſΥ	
Deposits by the public	21.408.697	14,277,224
Deposits from banks	3.078.178	2,052,803
Deposits for the granting of loans	2,907,928	1,939,265
Non-convertible bonds, capital notes		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
and debentures	4,381,058	2,921,679
Other liabilities	297.154	198,169
Total liabilities	32,073,015	21,389,140
Outside shareholders' interest	78,152	52,119
Shareholders' equity	1,105,988	737,571
	33,257,155	22,178,830
CONDENSED CONSOLIDATED STATI		AND LOSS
FOR THE YEAR ENDED 31 Adjusted for the effect of		
Operating profit before taxation	186.554	124,410
Provision for taxation on operating profit	75.050	50,050
Operating profit after taxation	111,504	74,360
	111,00	,000
Group's equity in net profits of unconsolidated subsidiaries	(26,802)	(17,874)
	84,702	56,486
	(1,706)	(1,137)
Outside shareholders' interest		
Outside shareholders' interest Net profit for the year	82,996	55.349

on December 31, 1985 NIS 1.4995 = US \$1.00, solely for the convenience of the reader. Condensed Statements as at 31 December, 1985 of Four Main Overseas Banking Subsidiaries

Bank Leumi Trust Company of New York 24 Branches (In US \$ Thousands)

Bank Leumi (UK) plc 6 Branches (In £ Thousands) Total assets Net profit במק לאומי bank leumi

5 Branches

(In FFr Thousands)

(In SFr Thousands) Total assets Net profit

Bank Leumi le-Israel (France) S.A.

Bank Leumi Le-Israel (Switzerland) 3 Branches

2,881,654 6,521

Those arguing in favour of the preference offer for Kenning -Itself a rare move which has appeal in a rising market—are supporting the need for a change of management for there is little as yet for TKM to boast

TKM bas a broad spread of motor related activities and being UK interests in the course debt reconstruction last

Companies run by the New Zealand entrepreneur own al-most two-thirds of TKM. Other Brierley group members bold a 29.99 per cent stake in the bid target, Kenning.

Two weeks ago. when TKM first announced its bid. the board of Kenning rejected the offer as lnadeonate. Yesterday the company said that this was still its position and that it would be writing to sharcholders in due course. ers in due course. The offer document describes

Kenning's recent record as "dis-mal" and charts a declining trend in nre-tax profits, operat-ing margins, return on capital employed and earnings per share in recent years.

Kenning's management ness to indulge in such exotic diversification when so much clearly needed to be done in solving serious problems on

backed by a casb alternative of 1350 per share. Last night, TKM's ordinary shares closed up 1p at 142p and the existing 8.5 per cent convertibles were unchanged at 135p.

comment

Industrial Equity Britain appears to have been born in the shape of TKM. Ron Brierley is a paat master at running barely majority owned opera-tions — with two £1hn such

> LADBROKE INDEX 1,425-1,429 (+6) Based on FT Index Tel: 01-427 4411

Kenning management under fire from TKM groups already well established TKM and Kenning are guided many of the right things byt in Australia and New Zealand, by a plan — is that an anto these have not produced MR RON BRIERLEY'S Tozer

Kemsley & Millbourn yesterday harsbly criticised the management of Kenning Motors in the formal offer document for the car hire and sales group. TKM is bidding almost £100m in convertible preference shares for

strategy appears to lack both direction and logic." claims TKM, it "allowed itself to be distracted by moves into other activities" and "bad no busi-

their own doorstep."

The offer, seven new 8.5 per cent convertible preference shares in TKM for every four ordinary shares in Kenning, is

TKM's preference shares are convertible on a one-for-one basia into ordinary sharea on June 25.

TKM also published its results for 1985 yesterday. Group turnover was flat at £419.7m (£415.1m) and pre-tax pro6ts before exceptional items totalled £6.05m (£5.24m). After £1.65m in exceptionals, profits were down on last year's £5.24m at £4.4m.

supporting the need for a rom not being neet changin or change of management for there foot, as a result value added is little as yet for TKM to boast about in its own performance. What Mr Brierley may have worked out — and his various worked out — and his various UK motor industry related stakes suggests bis moves at the old way. Kenning has done

results and it may be a til lo c in the day to the managing director. Mistakes there have been at both the old TKM and at Kenning; Mr Brierley already shows a capital gain of around £80m on his £16.2m investment and punters who join him will be looking for more. The price seems generous enough given

A CLEANERS AND A CLEAN AND A C



Excellent Year For BNP

The Chairman, Lord Hunt of Tanworth GC8, reports:

In 1985

- Operating profit rose 69% to £25.9
- Profit after tax up 73% to £10.6
- to £2.83 billion

Assets increased from £2.69 billion

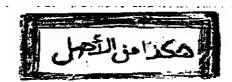
- Return on capital and reserves 16% Substantial increase in FX dealing
- BNP three times larger than in 1980

Banque Nationale de Paris p.l.c. 8-13 King William Street, London EC4P 4HS, Telephone: 01-626 5678, Telex: 883412 BNP LNX

Also in Knightsbridge, Berkeley Square, Birmingham,

Leeds, Edinburgh and Manchester BNP Group Head Office: 16 Boulevard des Italiens, 75009 Paria

Copies of the BNP p.l.c. Annual Report are available from the Company Secretary



Aspromised, they have delivered a handsome profit.



Clearly, the investment that we have made in Debenhams is paying off.

But then we always knew Debenhams fortunes would follow in the footsteps of the Burton Group as a whole. As a group we have recorded sales of £620.5m. (Up 135% on last year.)

Our pre-tax profits are up by 114% to £74.3m. And our interim dividend has jumped from 1.25p to 1.6p.

At £53.4m, our half year capital expenditure has

never been higher.

And whilst the number of jobs has increased by over 2,000, the number of new trading outlets opened stands at 64.

Our commitment to British-made goods has never

been stronger either. Currently up another £62m, we fully intend the figure to grow and grow.

The investment in our community employment initiative (one of the largest in the private sector) is also considerable.

We're helping 150 new business ventures get off the ground.

Certainly, we can't be accused of not trying out some new ideas.

Which is why we believe we will remain an exciting company to work for. To buy from. And to invest in.

The Burton Group plc.

Creating a wider choice.

THE CITY welcomed the results f162m. From earnings per of Reckitt and Colman by share of 48.22p (41.94p) the marking the shares up by 64p dividend is being increased to 900p after the company from 14.3p to 16p with a exceeded most forecasta. It had recommended final payment of been expected that it would 10p (Egp). report pre-tax profits for the year to January 4 1986 of about

The main improvement was seen in the household and toiletry division where profits rose from £44.8m to £57.3m. The result was boosted by the Airwick acquisition which since lts consolidation on March 1 contributed trading profits of The food and wine division

The directors say that the America, 52.6 per cent in the confidence of the Chairman at year under review against 39.7 the interim stage was borne out Turnover improved by 13 per cent from £1.12bn to £1.27bn

Airwick contributing helped

Exchange rate movements

year to January 4 1986 of about resulted in sales being reduced £120m, but came in with £123.39m, an increase of 16 per cent on last year's £106.4m. Exchange rate inovements reduced £120m, but came in with £252.5m and pre-tax profits by £8.45m, of which two-thirds was from Africa and the rest in Australia and Asia. The directors say that the net

interest charge, at £1.93m, was low. That was due to success-ful cash management and to the exclusion of interest payable on the Airwick acquisition before its consolidation, which reduced the figure by about £3m.

They add that the increase in also contributed an increase of the share of the group's profits almost £5m to £31m. the share of the group's profits coming from Europe and North per cent the previous year, showed the quality of growth which was achieved.

American housebold products business viable. Together with the disposal of the US potato business and the following restructuring of the US food division North America pro-duced profits of £14.61m, against losses last time of £3.22m.

Group trading profit came out t £125.32m (£105.88m) with at £125.32m (£105.88m) with interest charges of £1.93m (£520.000 received). The tax charge was £46.2m (£45.88m) and after minorities of £5.54m (£5.12m) and preference dividends taking an unchanged £160,000, altributable earnings were £71.49m, against £55.24m last time.

were extraordinary There there were extraordinary items of £8.6m (£200,000) representing costs after tax of integrating Airwick of £11.53m less gains on other Items of £1.93m. Dividends absorbed f23.72m A geographical hreakdown of the results showed UK turnover of £345.2m (£317.2m) and pre-Airwick acquisition tax profits of £40.3m (£36.7m) make the North rest of Europe £244.1m

North America £302.6m (£242.8m) £14.6m (£3.2m loss); Australasia and Asia £216m (£231.1m), £31m (£31.1m); (£13.1m), £13.2m (£18.3m) and Latin America £107.1m (£93.5m), £15m £107.1m (£15.1m).

(£15.1m). A breakdown by products showed that household and toiletry had sales of £584.8m (£418.9m) with pre-tax profits of £57.3m (£44.8m); food and wine £441.1m (£472.4m), £31m (£26.3m); pharmaceuticals £118.6m (£114.7m), £24.1m (£24.5m); colours £33.4m (£26.7m), £7.8m (£6.4m); indus-(£24.5m); colours £33.4m (£25.7m), £7.5m (£6.4m); industrial cleaning £61.6m (£63.5m). £1.5m (£2.3m) and fine art and graphics £26.4m (£24.2m), £3m

(£2.gm). At the annual meeting next month Sir James Cleminson will be retiring as chairman to be replaced by Sir Michael Colman, who is already a member of the

Cluff Oil £9m in the red

A DECISION to write down the book value of certain assets by £8.3m pushed losses of Cluff Oil Holdings up from £635,000 to £9m pre-tax in 1985.

However, Mr Algy Cluff, the chairman, says lack of debt, strong cash balances and alternative sources of revenue enabled the group to court through the difficulties of the year and to face 1986 from a securely-based position.

He explains that the writedown was considered the only prudent course of action in the light of weak oil prices. After the write-down net assets per share were 52p, not including the surplus reserves of the Royal Family Gold Mine.

Mr Cluff adds that with no tunities which presently exist in the mining and oil sector.

The mining and oil sector. Turnover for 1985 advanced

gross profits emerged at £233,000 (£499,000) sfler depreciation and operating from £2.67m to £2.98m and preciation and operating expenses which lotalled £2.75m (£2.18m) — the group's sbares are traded on the USM.

Available losses came through at £9.16m, against a previous £218,000, after taking account of tax of £104,000 (£183.000), minorities of £352,000 minorities of £352,000 (£103,000) and extraordinary debits of £424,000 (£497,000 ing 60 per cent. ACT has a turn-

Wm Morrison advances 34%

Wm Morrison Sppermarkets

The Bradford-based company saw profits rise to £15.7m com-pared with £11.73m for the 53 weeks to February 2 1985. Turnover excluding VAT improved by £31.75m to £367.99.

Earnings per 10p share came out at 9.94p (6.92p) and the directors are recommending a final payment of 1p, against an adjusted 0.825p, making a total for the year of 1.35p (1.1p).

They say that on a compar-able 52 week basis turnover rose by 11.2 per cent, of which new openings accounted for 2.2 per

During the period two stores were opened, in Rotherham and Killingworth, Tyne and Wear, and a start was made on a third in Dukinfield, Greater Mon-Mr Cluff adds that with he borrowings and with the additional benefit of increasing revenues from gold production the group is well positioned to the group is well positioned to the opportunity advantage of the opportun

> ACT (Computer Services') managing director, Mr John Jerman, and a management team of eight, have completed a management buy-out of the company from Apricot Com-puters for £1m. The Grosvenor Technology Fund has taken a 40 per cent interest in the equity, and the management has sub-

reports a record 12 months to February 1 1986 with taxable profits rising by 34 per cent and turnover up by 9.4 per cent.

The control of the flected more accurately and be-cause high interest charges would be likely to unfairly distort the company's performance.
Operating profit came out at £15.85m (£12.89m) with a further £71,000 (£64.000) from share of associate and net in-terest received adding £558,000 (£608,000 paysble). The pre-tax figure was struck after profit

share to employees of £787,000 (£614,000). The tax charge was £6.51m (£5.35m) and dividend absorbed £1.25m (£1.02m). leaving retained profit at £7.94m, against £5.37m).

cent, inflation 4.5 per cent and the remaining 4.5 per cent representing growth in the existing units.

During the period two stores were opened, in Rotherham and Killingworth, Tyne and Wear, 13,000 cm ft. 31,000 sq ft.

comment

baked beans in Wm Morrison's supermarkets but capitalised
"interest forgone" is a rare
delicacy for the market to
savour. Although gross interest charges amounted to no more than £326,000, Morrison takes the line that but for its store opening programme Its bank balances would have earned an extra £671,000 — three times the actual figure for interest received. So the pre-tax line is inflated by said amount lifting the overall result to £500,000 or so above the bulk of market forecasts. The shares rose 16p to 200p. The new seconnting policy will lift around £1m of costs off tha p and 1 account this year, so earlier forecasts need to be revised upwards to at least £18m pre-tax for a p/e of 16. Investors taking a view of take-over prospects might be better off with Hillards but Morrison has a sound track record and while increasing the selling area by a third in the next 24 months will put a short term brake on Capitalised interest charges are shout as common as cans of strong investor following.

DIVIDENDS ANNOUNCED

		Date	COLIE-	TULAL	TOTAL
	Current	of s	ponding	for	last
	payment	payment	div.	year	year
Abbey Life	4.7			6.9	-
Barton Gronp lnt		July 25	1.25*		4.40
Druck Hidgst int	1.8	May 22	1.5	_	3.6
Ealing Electron	1.5	May_27	- FT	1.5	
Ealing Electron Empire Stores	3.25	July 1	2	3.75	2570
Ibstock Johnsen	3.3		2.75*	4.8	4
JSD Computer:		May 30	1.3	2.1	Ĺ5
Wm. Morrison			9.83+	1.35	
Reckitt & Colmant		јшу З	8.8	ig	143
Wayne Kerr‡				1.5	
Weir Group	2.13	May 23	2.13	2.88	2.5

scribed £130,000 for the remaining 60 per cent. ACT has a turn-over in excess of £2m.

Dividends shown in pence per sbare except where otherwise stated.

Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Jaguar in the lead with exports of £500m

Jaguar Cars' exports passed the £500m mark for the first time last year, giving it clear leadership in car exports from the UK.

BY LIONEL BARSER

£3.50 a share, at a total cost of

The move has fuelled City speculation that Berisford is preparing for an agreed bid by Ferruzzi, the Italian food and

agricultural group, which wants to acquire British Sugar in

order to bost its European mar-

ket share. Berisford said it was

committed to manufacturing

British Sugar as a separate sub

sidlary with a strong base of tong term capital.

Analysis said that the loan dividend swap would increase British Sugar's gearing to be-tween 40 and 50 per cent by ex-

changing equity for debt. Meanwhile, the rump of Beris-

£219m.

vehicles 29,683 The exported, worth £562m, repre-sented about 40 per cent of the UK total and compares with an estimated value of Austin Bo Bover exports of

Jaguar's further improved performance last year led to its chairman and chief execu-tive, Mr John Egan, more than doubling his remuneration, from £86,366 in 1984 to \$172,959

In part, this reflected the departure as chairman during the year of Mr Hamish Orr-Ewing, and the assumption by Mr Egan of both top roles.

However, Mr Orr-Ewing's role was non-executive, a position for which he was paid £17,904 in 1984.

Mr Egan was paid £147,611 as chairman last year, with the balance made up of bonuses based on company performance. As previously reported, Jaguar's pre-tax profits increased to £121.3m, compared with £91.5m in

Jaguar's exports have increased by an average of £100m a year since 1980, when Mr Egan was appointed by former BL chairman Sir Michael Edwardes either to revive the then loss-making company, or to close it..

In unit terms, last year's exports accounted for 80 per cent of Jaguar's total output, which reached 38,500 units. Jaguar has stated publicly that it expects to expand production further this year to 42,000 units.

However, with demand still exceeding supply, the com-pany is understood to beseeking ways of expanding production above the declared

IN BRIEF

KLEINWORT BENSON GIR Fund's net revenue increased from £1.96m to £2.13m in the year to April 1 1986. A final dividend of 29.96p gross makes a total of 124.5p-(120.89p). Net asset value per participating share rose to £13.48 (£11.28).

JOHNSON MATTHEY Bankers has completed the £5.5m sale of its wholly owned Hinton Hill Group to W. S. Moody Holdings.

NATIONAL PLASTICS bas completed negotiations to sell its Ekco plastics injection moulding business based in Southend-on-Sea, Essex, to Lin Pac Mouldings.

CLOSE BROTHERS, through debt factoring subsidiary Century Factors, bas taken on the majority of the debt portfolio of Brown Shipley Factors. The valua of tha debts transferred is in excess of £4m, which represents a substantial increase in the advances made by Century.

MARTIN CURRIE Pacific Trust in its first annual figures since gaining a listing last year reports net asset value per 50p share of 125.7p ot February 28, 1986. Directors are recom-mending a single final payment of 0.45p. Greec review. of 0.45p. Gross revenue was 5317,000 for the year to the end of February 1986, with net revenue of £75,600 and earnings per share of 0.63p.

THE OFFICE of Fair Trading is examining a complex £210m dividend loan swap between 8 & W Berisford, the commodity trader, and its wholky owned subsidiary, British Sugar. owned subsidiary, British Sugar.

It may affect undertakings given when it ocquired British Sugar in 1982 after a bitten £240m takeover battle. It is required to ensure that British Sugar "is maintained as a separate group of companies without major changes in the activities or the purpose of the group as a whale."

Beristord confirmed that it granted a £210m interest free loan repsyabla over ten years to British Sugar. The announcement follows the disclosure on Wednesday that British Sugar declared an interim dividend to its parent of £350 a share, at a total cost of

OFT examines complex

British Sugar loan swap

Mr Ephraim Margulies, chair-man of S&W Berisford

to pay a dividend of £75m, but without o similar loan. It sought OFT guidance but subsequently

dend/loan swap as a housekeep-ing exercise, redressing the balance of capitalisation inside the group.

British Sugar, which Is also being eyed by Hillsdown Hold-ings and Tote and Lyle, could command a value of about \$400m. But the Berisford group is only valued at about \$430m, which appears to undervalue the Last night, the market rump/commodity business. sensed that the ice was beginning

ford's commodity trading in-terests would improve its posi-tion by shedding the £209m debt incurred buying British

week. They include tea, timber, pepper and plantations in companies based in a variety of companies based in a variety of countries such as Papus, New Grimes, the Cayman Islands, West Germany, Britain and the US. The 1985 acounts were qualified by Berisford's auditors. Spicer and Pegler in the light of a £35m provision against Habilities in tin trading.

Mr Ephraim Margulies, Beris Mr Ephraim Margulies, Berisford's chairman, has appointed
Citibank as an adviser in addition to Charterhouse. It is
understood that the US bank is
advising Mr Margulies on the
possibility of a leveraged buyout of the rump commodities
husiness, should a bid materialike the Tampian Tames Hills. lise from Ferruzzi, Tate or Hills-

Berisford said yesterday that it had held talks with all these parties but none had yet made a firm proposal in relation to British Sugar orthe group as o

charterhouse Japbet, Beriford's advisers, confirmed this plan but declined to comment stake from 8.2 per cent to 9.1 on why the dividend bad now per cent, would dearly like to increased. It described the dividend/loan swap as a househouse acquire British Sugar, which has margins on beet far higher than Tate's sugar refining business. But Tate faces buge obstacles in convincing the Government and the OFT that a British Sugar bid would not infringe compe tition rules.

Equally, Ferruzzi faces conpetition, both in Britain and in Brussels.

terests would improve its position by shedding the £209m
debt incurred buying British
Sugar.

Late last year, Berisford considered requiring British Sugar

Late last year, Berisford considered requiring British Sugar

Berisford's commodity trading ning to break in the Berisford interests are run within 110 story. Tate shares closed up 5p subsidiary and associate com- at 648p; Hillsdown rose 8p to panies, according to the 1985 close at 276p; Berisford rose sidered requiring British Sugar

Acorn looks to new products as losses show big reduction

THE troubled Acora Computer
Group incurred losses of £2.94m
pre-tax in the six months
ended December 31, a figure in
line with the directors' expectaline with the directors'

problem of excess stocks and 80 per cent, purchase commitments, which reduced the former from £18m

2t end-June 1983 to £7.9m at December 31.

Significant progress was also made in streamlining corporate activities and reducing over-

activities and reducing over-heads.

The group has disposed of its leasing! business, to, Eastern Counties Newspapers and has reinforced its presence in the UK, Europe and the Far East.

The sales operations in the US and Germany have also been transformed from direct to in-direct via distributors to pro-

tion bas substantially improved the group's cash position—bank borrowings of £6.9m st end-

ine with the directors' expectations at the time of the second rescue package agreed in July 1985.

Mr. Brian Ling imanaging directors says the balf year was a transitional period in which the group defined a strategy for its future and took mylegisteps, its unior shareholder, Olivetti, to re-establish its operations on a sound basis.

The directors tackled the problem of excess stocks and purchase commitments, which

The results for the six months small parcels of shares seem to versal in the 1984-85 year when the group ran up losses of £26,66m, including heavy write-offs both above and below the line. The previous year the group achieved a pre-tax profit of £19,84m. fine and serious for the previous year the outsiders. On products, a major the group has disposed of its leasing business, to Eastern Counties Newspapers and has reinforced its presence in the UK, Europe and the Far East.

The sales operations in the US and Germany have also been transformed from direct to indirect, via distributors, to protect Acorn'o market position in these countries but without significant financial exposure.

Mr Long points out that consolidation of the gramp's UK activities into the main Cambridge offices, meant that present in the adds that this rationalisation bas substantially improved.

The previous year the outsiders, on products, a major us manufacturer for the RISC chips should soon be announced. Turnover for the half year although success depends on winning enough orders from the USA and Cathron provisions amounted to £1.93m that the price advantage clalmed over competitors cames through over competitors cames through that the price advantage clalmed over competitors cames through that the price advantage clalmed over competitors cames through. The upgraded BBC micro is going reasonably well and demonstrates the long-term commitment of Acorn to the £500 to £1,000 sector of the market. Some of the expensive clever-ness in the BBC micro which prevents Acorn from competing on cost with Amstrad is being that the price advantage clalmed over competitors cames through. The upgraded BBC micro is going reasonably well and demonstrate the USA.

Mr Long sums up: "The current year wil be one of intensive development of new propositions of the expensive clever-ness in the BBC micro which prevents Acorn from competing on cost with Amstrad is being the feature of the stream of the competitions of the gramp of the countries of the sum of the product of the solution of the gramp of the countries of the stream of t US manufacturer for the RISC chips should soon be announced. technology.

"While the benefits of the product development programme will take some time to group's little on a £45m turnover.

Latest prices:

At last some help for the hard pressed Imperial shareholder.

The next closing date of our offer is April 11 at 3 pm.

Mindful that share prices can vary daily, we are publishing a bulletin showing the value of each of the offers for your company. In order to be perfectly fair, the values we've quoted are based on the best possible offers.

HANSON BID WORTH:

UNITED BISCUITS BID WORTH:

HANSON BID BETTER BY:

Figures based on the market prices at 5.30pm on Thursday

CONTINUING GROWTH FROM BASIC BUSINESSES.

Granville & Co. Limited

8 Lovat Lane London EC3R 6BP Telephone 01-621_1212 Over-the-Counter Market

Gross Yield Fally

6 div. {p} % Activel toxed
7.3 a.5 s.1 7.5
10.0 7.2 ... 7.7
10.0 7.2 ... 7.1 2.2
2.4 8.7 7.1 3.2
12.0 8.7 3.4 3.2
15.7 15.9 ... 7.1
10.7 11.8 ... 7.5
10.7 11.8 ... 7.5
10.7 12.7 5.7 7.5
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10.5 4.5 10.5 10.9
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12.9 13.4 ... 7.5
15.0 4.3 10.5 10.9
17.4 10.5 10.4 12.1
17.4 5.7 5.7 5.8

An open ended fund (fisted in London) specialising in shares of precious metals, oils and other minerals. Consultant: Dr. F. D. Collender,

Investment Advisers: Strauss, Turnbull & Co. Limited Half Year ended 26th February 1986 Interim dividend 17¢ ts per share \$11.13 Assets per share \$11.13 +5.2% (Since 272.85) F.T. Gold Mines Index (\$ terms) - 1.5%

For copies of the Interim Report write to:
Minerals Oils and Resources Shares Fund Inc.,
Royal Trust House, Colomberie, St. Helier, Jersey, C.L.
For price and yield - see Financial Times 'Oilshoni & Oilshoni & Oilshoni

Public Works Loan Board rates

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal: ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to includa principal and interest). § With half-yearly payments of interest only.

NOT	TCE TO LOM	BARD DEPOS	ITORS
	Refer for deposition depositions entitled a factorist interests.	Ractio for deposited extinctive extinterest	Gross equivalent to a basic rate tax payer
	23.7 (20) (A) (Manual)	Days Notice)
		8-40%	
	Cheque When the	Savings Ac	counts
	IU/4pa	* 8-03	11-48%
	834%	6-54 %	9.34%
	Interest is change	credited on each public but pot less than half y	bed rate
		ombard orth Central	
	17 Bruton	St, London W1	A 3DH.
· -			7. 7

Imperial Shareholders: which side should you come down on?

United Imperial.

A cohesive group with three related and complementary businesses.

A proven record of success in the management of leading brands.

Opportunities for cost savings and faster profit growth by combining operations

Profit growth mainly organic, fuelled by high capital investment of over 4% of annual sales in 1985.

All UB's offers provide higher income than Hanson's 'best' bid.

Agreed management plans to exploit growth opportunities in food and leisure industries.

Hanson Trust.

A conglomerate currently operating in some fifteen different business sectors.

Limited experience of managing branded consumer businesses.

No similar opportunity.

Profit growth mainly by acquisition (capital spending just over 2% of annual sales in 1985).

Hanson's highest income offer (the cash alternative) is worth only 293p per share, or 64p less than Imperial's current market price.

No clear plans. Wait and see.

This stark comparison makes it absolutely clear why the Board of Imperial urgently and unanimously recommend that you accept the United Biscuits offer

UB and Imperial are natural partners for future growth and prosperity. By accepting the UB offer, you ensure that the majority of your investment will remain in Imperial businesses. This is the only way you can "stay with Imperial."

Time is now short. The future of your company -

its brands, its businesses, its people - may depend on your action.

So please, today, sign and send off the white UB acceptance form. It must arrive by 3.00 pm this coming Friday, 11th April 1986.

If you are in any doubt how to complete the form, please telephone our helpline: 0272 666961.

If you would like to hear why your Chairman,

Mr Geoffrey Kent, and the Imperial Board unanimously recommend the UB offer, please ask the operator for Freefone Imperial Group.

by the yds init



DAYS LEFT TO ACCEPT 10 · 9 · 8 · 7 · 6 · 5 · 4 · 3 · 2 · 1 UB OFFER

are set out or referred to in Imperial Group and Hanson Trust 1985 Annual Reports, UB's Preliminary Statement and the letter from the Chairman, Imperial Group pic to shareholders dated 3rd April 1986. Imperial's share price is the closing price on 2rd April 1986.



Hill Samuel & Co. Limited

advised

Marley plc

in the sale of

Payless D.I.Y. Limited

Ward White Group plc

Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ.

April 1986

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any securities



Ward White Group plc (Registered in England No. 294565)

RIGHTS OFFER of Convertible Redeemable Preference Shares of 10p each at £1 per share entitling holders to an annual fixed preferential dividend of 6p (net) per share ("Convertible Preference Shares").

This advertisement appears in connection with the rights offer of up to 74,430,137 Convertible Preference Shares in the Company which are offered at £1 per share to shareholders on the register at the close of business on 24th March, 1986 on the basis of 82 Convertible Preference Shares for every 100 Ordinary Shares of 25p each then held. The Council of The Stock Exchange has admitted the Convertible Preference Shares to the Official List. Dealings are expected to

commence on 4th April, 1986. Details of the listing particulars relating to the Company and the Convertible Preference Shares required by The Stock Exchange (Listing) Ragulations 1984, are available in the Extel Statistical Services.
Copies of the circular to shareholders dated 11th March, 1986 containing the listing particulars and the letter to shareholders dated 3rd April, 1986 may be obtained during normal business hours on any week day, Saturdays and public holidays excepted, up to and including 18th April, 1986 from:

Ward White Group plc, Hargrave Hall, Hargrave, Wellingborough, Northamptonshire, NN9 6BU

County Bank Limited, 11 Old Broad Street, London. EC2N 1BB

and, until 8th April, 1986 only, from: Companies Announcement Office, The Stock Exchange, Throgmorton Street

London EC2P 2BT

4th April, 1986



Swiss Air Transport Company Ltd.

Notice to holders of the Warrants of the 8 % US\$ Bonds with Warrants 1984-91 of Swissair Finance (B. V. I.) Limited, **British Virgin Islands**

At the Annual Ganaral Maeting of Shareholders of Swissair to be held on April 24, 1986, the Board of Directors will proposa an increase of the share capital by offering one new Bearer Share of Sfr. 350.- nominal value for every 15 Bearer Shares outstanding at that date at the price of Sfr. 1,100 .-. The new Bearer Shares will rank for dividend from

Furthermore the Board of Directors will propose the creation of «Dividend-right certificates» by offering one «Dividend-right certificates for every 10 Bearer Shares outstanding at that date at the price of Sfr. 200 .- .

In connection with this capital increase, the holders of the Warrants of the 8% US\$ Bands with Warrants of Swissair Finance (B. V. I.) Limited ahould note that

a) exercise of the Warrants into Bearer Shares cum subscription right can take place up to April 14, 1986;

b) the exercise right of the Warrants will not be exercisable during the period from April 15, 1986 up to and including May 13, 1986;

c) the exercise price will be adjusted on May 14, 1986 and published as soon as possible

thereafter.

April 4, 1986

UK COMPANY NEWS

Ibstock Johnsen hit by weather and drop in pulp prices

SEVERE weather in the first quarter of 1985 and a reduction in pulp prices set back full year results of listock Johnson, which has announced a fl.00m fall in pre-tax profits to £11.36m. The proposed final dividend,

however, is raised to 3.3p against an adjusted 2.75p for the one-for-one scrip issue last April. This makes a 4.8p (4p) total for the year, which will be pald from increased earnings per share of 13.68p (13.03p).

Turnover for the group, which makes bricks and is an agent

makes bricks and is an agent for woodpulp manufacturers, improved by 5.6 per cent to £116.48m (£110.29m).

Mr Paul Hyde-Thomson, the chairman, says that an important factor of the year was the exceptional amount of capital investment, market development and expansion in the brick divisions on both sides of the Atlantic. of the Atlantic

of the Atlantic.

In the UK, huilding products gained only a small increase in turnover, from £51.08m to £53.89m. Deliveries were below 1984, he says, and trading profit fell by film from the group's record £15m.

US sales of building products improved substantially, from £50.5m to £61.05m, at which level the group has good market penetration, and the chairman adds that the long-awaited profits, which were fil.15m against a £727,000 loss, are coming through.

The fibres division never expected to repeat the excep-tionally high profits obtained in 1984, he says. In the event the fall in the world price of pnlp and the adverse exchange rate movements were greater than anticipated, especially in the second half. Turnover in this division fell from £8.72m to £1.51m, and trading profits were down et £867,000 (£2.25m). Tsx took £2.95m (£4.94m) to leave net profits at £8.41m (£7.47m). There were extraordinary debits of £2.26m



Mr Paul Hyde-Thomson, chairman of Ibstock Johnson

Johnson and the shares rose by 2p to 188p yesterday. Last year was a year of retrenchment for the company. In the UK the problems posed by an overall downturn in brick demand were compounded, in Ibstock's case he the turmoil of plant redevel-epment and a management

structure overstretched by years of expansion. Even in the US thstock broke into profit for the first time in the summer months, sales were inhibited by delays in constructing the Wash ington plant. Thus far 1986 bas been a mixed year in the UK. Icy temperatures have brought construction programmes to a halt but post modernism has brought bricks back into favour with architects and overall demand should increase by 5 per cent this year. With new production plant in place end e more flexible management structure. Ibstock expects to outperform the market. Mean-while the US division, having lost the lossmaking Indianapolis ordinary dehits of £2.26m plant and having gained the new Washington unit, should double its contribution to profits. The City expects overall profits of £15m producing a p/e of 12.

Overseas strength boosts JSD Computer to £0.6m

computer Group International its shares are traded on the USM.

computer Group International traded on the USM.

comment

comment

£7.1m to £9.63m. All trading hardly guess that UK turnover had been almost static, but in particularly guess the group advanced, particularly guess that UK turnover had been almost static, but in fact 70 per cent of the group's particularly overseas which increased by 60.6 per cent to by 48.4 per cent to £4.1m and Europe, outside the UK, by

88.5 per cent to £2.4m.

The group's main activity remained the contract hire of skilled computer personnel, which represented 98 per cent of turnover.

Gross profits rose from £2.17m to £3.05m and were sub-

husiness is overseas and this is where the growth has been coming from. The Belgian and Dutch operations ere expanding and the Amsterdam office is stretching its tentacles into West Germany, while US business has grown at a rate which suggests that a third office could open there this year. The current year is likely to see European progress continued and US growth dependent on whether that third office is of £2.42m, up from 1984's
£1.79m. Other operating income
amounted to £71,000 (£85,000).
Net interest charges accounted
for £74,000 (£54,000).

Earnings came through 2.1p
shead at 6.3p after tax of
£234,000 (£180,000) and a final
dividend of 1.1p makes a net
total of 2.1p, an improvement
of 0.6p per 5p share.

The group was formerly

The group was formerly

when the second-street on
whether that third office is
introduced, but there also will
be renewed emphasis on exprobably through acquisition.
With at least £800,000 expected
on a tax charge of 35 per cent,
the shares, np 4p at 130p, are
on a prospectiva p/e of under
14—a reasonable rating for a
company in a buoyant market.
but watch ont for the cash call

Wayne Kerr sticks by

US loss-maker Although faced with difficult

trading conditions in some overseas markets, Wayne Kerr's strategy of developing a balanced geographical spread of activities and a broad range of products, has worked well for

the USM quoted electronics manufacturer, says Mr Alan Dennis, the chairman, Mr Dennis says the current recession in the alectronics sector in the US caused an inevitable downture in sales of evitable downturn in sales of its ATE equipment.

He said yesterday that the group bad nn intention of quitting the US in spite of the losses sustained there in the first three quarters. "It is an important market to us, and we

important market to us, and we are content to operate there at break-even until the upturn comes," be says.

Pre-tax profits for 1985 improved by £200,000 to £1.3m, and turnover was up from £10.95m to £11.75m. A final dividend of 1p net is proposed for a total of 1.5p.

Ealing Electro ahead after all round growth

Enling Electro-Optics, which came to the USM in October. has announced pre-tax profits of £1.27m for 1985, against £865,000 on a pro forma basis. A forecast of at least £1.18m was made in the offer-for-sale

prospectus.

Turnover for the company, which makes, markets and distributes high-precision optical and electro equipment improved by 39 per cent to £7,47m

Mr Mervyn Windsor, the chairman, says that there was growth across all product groups and the year also saw the first benefits from the new sales organisation in the US, be says, where sales rose 52 per cent in dollar terms.

As forecast, the directors are

recommending a 1.5p dividend in respect of 1985. Stated earnings per 5p share are 9.8p. Pre-tax profits and turnover on a statutory basis are £892.000 (£339,000) and £6.79m (£5m) respectively.

AIBD BOND INDICES

WEEKLY	EUROBOND GU			
	Redemption Yield	Change on Week	12 Months High	12 Months Low
US Dollar	9.423	-0.790	12,060	9.422
Australian Dollar	13.270	-3.589	14.630	12.600
Canadian Dollar	11.044	-0.639	12,920	11.014
Euroguilder	6.137	-0.244	7.420	6.084
Euro Currency Unit	8.887	-2 598	9.990	8.802
Yen	6.667	+0.241	7.330	6.638
Sterling	10.151	-0.869	11.932	9.990
Deutschemark	6,603	-0.045	7,570.	6.582 .
Bank J. Vontobe	A & Co Ltd. Zerrie			11

Aberdeen Steak lower at £0.8m

Aberdeen Steak Houses, the ment Mr Suleman said informs ing litigation; Mr Cochbara said London restaurant chain which tion about legal claims; over an out-of-court settlement had been reached over Mr Suleman's to been reached over Mr Suleman's respected a decline in pre-tax profits to £1813,000 for the year However, the company's to December 1985 after a very shares made a strong start on disappointing third quarter.

Profits for the 13 months to of 59.

Mr Cockbarn said the first

disappointing third quarter.

Profits for the 13 months to
December 1984 were 1984,000
but the company said that on an adjusted 52-week basis the composition of aberdeen, said that three parable figure was 1884,000.

The shares, placed last year thought the second half.

The shares, placed last year thought the second half.

Abgrdeen's flotation was marred by adverse publicity when the then company secretary when the then company secretary Mr. Aziz Suleman resigned would be greater than those of over alleged inaccuracies, and on the question of outstand
shares made a strong start on the USM, rising to a premium 16.15.174.

Mr. Cockburn said the first quarter of the year was a seasonally poor one, but there had been encouraging signs in spite of poor weather in February.

However, the company bad turnover for the year of 28.9m that there is turnover for the year was a seasonally poor one, but there had been encouraging signs in spite of poor weather in February.

However, the company bad turnover for the year of 28.9m turnover for the year of 28.9m that there is spite of poor weather in February.

Abgrdeen's flotation was deend which had been forecast in the prospectus in the prospectus in the prospectus of 3.7m (53.7m), net operating expenses of 3.7m (53.7m) and interest payable of 261,000 (53.7m) and interest payable of 261,000 (53.7m) and one armings fell to 3.6p (3.9p).

US\$ 100 000 000.-

Credit Suisse Finance (Panama) S.A.

1134% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe

US\$ 100 000 000.-1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 4 000 000 principal: of Series A Notes have been drawn for redemption at 101% of their principal amount. The serial numbers of the 4 000 Series A Notes of US\$ 1 000 each, drawn for redemption and repr

The Notes drawn for redemption will become due and physbin on May 7, 1986 together with account interest for the period for February 13, 1986 to May 7, 1986. On and after May 7, 1986 the Series A Notes so redeemed shall cease to bear interest.

As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 27 000 000,-Series B Notes: US\$ 73 668 000,-

the yes, 81.

The United Biscuits offer. What will be in it for the Imperial shareholder?



When you examine it closely, the United Biscuits argument soon starts to crumble.

They have no experience of tobacco and brewing.

No record of acquiring or managing diversified businesses.

And little chance of creating "global brands" (Eventogether, "United Imperial" would be dwarfed by the international food giants.)

Now look at Hanson Trust's argument.

Our shareholders have seen their dividends grow by 28.7%p.a. over the last 5 years.

Our earnings per share have grown by 33.9%p.a. over the last 5 years. And our record of growth in profits has been unbroken for 22 years.

United Biscuits' so-called commercial logic?
Or Hanson Trust's actual financial logic?

We recommend you accept the Hanson Trust bid before the next closing date on April 11.

HANSONTRUST



£60-100 million employee-led buy-out

including an

Offer for Subscription Lloyds Merchant Bank Limited

to employees and their immediate families and pensioners of Vickers Shipbuilding and Engineering Limited and its subsidiaries Cammell Laird Shipbuilders Limited and Warship Design Services Limited and to residents of Barrow and Furness and of Birkenhead

The following gave initial commitments to provide out of their own holdings the £1,620,000 of free shares allocated to certain employee applicants under the Offer

Lloyds Merchant Bank Limited

British Aerospace Pensions Funds Trustees Limited Lloyds Investment Managers Limited managed funds

Eagle Star Insurance Company Limited

Lloyds Development Capital Limited

Norwich Union Life Insurance Society Pearl Assurance PLC

First National Boston Limited Investors in Industry PLC

Prudential Assurance Company Limited

The Trustees of St. George's Pension Fund

Commitments syndicated by Hoare Govett Limited

arranged and managed by

Lloyds Merchant Bank Limited



April 1986



THORN EMI

£40,000,000

Sale and Lease Back of Vehicle Fleet with Revolving Facility

Arranged and provided by

Kleinwort, Benson Limited

Jointly underwritten by

Banque Paribas (London)

Kleinwort Benson

The International Merchant Bank 20 Fenchurch Street London EC3P 3DB

This autouncement appears as a matter of record only.

UK COMPANY NEWS

Weir hits target with £9m for year

Weir Group, the Scottish-hased engineer which failed earlier this year to win con-troi of Yarrow, its Glasgow neighbour, has met the profits forecast it made in January. At the pre-tax level profits rose from £6.85m to £3.03m from o turnover £8.16m ahead at £139.77m.

Earnings improved by 5.4p to 12p per 25p share and a final dividend of 2.125p lifts the total from 2.5p to 2.875p

Weir lost its battle to take over Yarrow in January. Before it launched its £20m bid it already beld a 28.2 per cent stake in the company. However, the offer only attracted the support of a further 11.7 per cent of the

Mr Tony Houghton, receiver of hovercraft manufacturer Vosper, has sold the company's Mainwork subsidiary to the Weir group for an undisclosed sum, Mainwork provides technical services to offshore oil and companies.

Mr Houghton is now trying Mr Houghton is now trying to sell Vosper's main subsidiary, Vosper Hovermarines, and is hopeful that he will find a huyer as a number of foreign shipping companies had shown a serious interest in Vosper following the sele earlier this following the sale earlier this week of two hovercraft to PT Hover Maritom Sumanders, of Indonesia.

comment

There were no surprises in There were no surprises in Weir's results; the City was told exactly what to expect during the Yarrow takeover bld. In 1985 Weir proved that it has shaken off the tristes of the early 1980s and in 1986 should emerge as a mask more dynamic commuch more dynamic com-pany. All three foundries returned to profit last year and this year's orderbook has and this year's orderbook has returned to 1970's levels of buoyancy. Pumps bave been redirected from shipbuilding to oil and power. Given that its oil activities concentrate on maintenance rather than exploration, Wetrhas emerged relatively unscathed from the oil price crisis. While power activities could be buoyed by the long-romised Sizeweel contract promised Sizeweel contract later this year. In desalination Weir is compensating for the decline of the Middle East markets by developing water and power contracts in 6.5 this year which leaves the share, reduced by 2p to 118p yesterday, looking inex-pensive. Weir has ulne pensive. Weir has ulne mouths to go before deciding whether to rebld for Yarrow and in the meantime will consmaller, engineering related targets. centrate on a series of

Abbey Life beats forecast with £34.6m surpus

would have been paid on the distribution, a growth rate of

Abbey Life has comfortably beat
An amount of £18.5m is being its aurplus forecast, made last

Abbey Life Gronp, Britain'a second largest linked-life company, yesterday reported o surplus for 1985 of £34.6m, which included £800,000 after-tax profits from non-life subsidiaries.

This compared with a surplus of £30.7m in 1984 and a forecast of £33m made at the time of its flotation last June.

Abbey is paying a total dividend for the year of 6.9p, with a final payment of 4.7p. This compares with a forecast total of 6.8p in the offer document.

The company said that had an area to the low flose of 1985 because of the profit and business fund to the profit and busi

This compared with a surplus of £30.7m in 1984 and a forecast of £33m made at the time of its flotation last June.

Abbey is paying a total dividend for the year of 6.9p, with a final payment of 4.7p. This compares with a forecast total results this year would be below 6.8p in the offer document.

The company said that had an equivalent dividend been paid, the 1984 surplus would have been around £28m, since ACT would have been paid on the

comment

Jun and shareholders are rewided with a higher than expeted dividend. In particular, Abbd Life's unit trust and othernon-life operations have shownery strong growth. The group's expanding its direct sales free, with a net increase of 330 tersons last year and a target 1 another 200 persons this yea The company has a varied roduct range, with particulatemphasis on life and protection products that ore selling wit this year. The benefit of last year's new business sowth should come through the year and share-bolders canlook forward to at least a 10 er cent growth in surplus an dividends. The share price f 216p, up 6p on the results, yielding 4.6 percent, reflects his potential.

Druck dimbs by

34% at halfway

A 34 per celt increase from £712,000 to £93,000 :a pre-tax profits is repeted by Drack Holdings for the six months to December 31 195. Turnover of this USM-queed holding company engaged in the manufacture of electronic pressure measuring devices, rose from £3.31m to £4.57m an increase of 38 per cent.

Mr John Salmo, the chair-man, says the total order book so far this year shiws another

satisfactory increas; compared with that of last year. This is largely due to the contribution from overseas where the group's subsidiaries have produced good results.

He says there are no very large orders to report, but this is a good indication that it

of 38 per cent.

to near 11m

Profits up 87% as sales recover at Empire Stores

HELPED by good fashion siles
Empire Stores (Bradford) regained the turnover lost in the first half and ended the year 4 per cent ahead. And the recovery in profits continued with an increase of 87 per cent.

(£1.12m). The tax charge was £1.72m (£881,000).

Harah words about a company that has just annunced a 87 per cent increase it profits are

In the year to January 25 1985 turnover rose to £162.8m, against £156.52m after there had been a fall of 4 per cent in the first six months. Pre-tax profits for this mail order com-pany increased from £3.09m to

25.79m.
Earnings per share came out at 10,88p (5,97p) and an increased dividend of 3.75p (2.5p) is being paid with a recommended final of 3.25p (2p). Directors say that during the period fasbion sales were good but hardware was disappointing. Costs and working capital remain under strict control, the

add, and borrowings at the end of year were again lower. Sales in the present year are said to be encouraging from all sections of the catalogue and subject to unforeseen circum-

stances progress to more satis-factory profits is expected.

Operating profit came out at £6.62m (£4.2m) and the pre-tax figure was struck after interest charges less tax repayment supplement of £826,000

The following companies have notified dates of board makings to the Stock Exchange, Such meetings are usually hald for the purcose of considering dividends. Official indications are nos

TODAY

Harah words about a company that has just annumed a 87 per cent increase it profits are not usually called for. Yet Empire's shareholdels may well be unmoved by a redovery that its rivals enjoyed some time ago. While Grattan and Freemans have moved on to net notions, Empire is struggling with its basic catalogue and wathing its market share dwindle. The company has had some success of controlling costs and bal debts and a little belatedly hairecognised that one key to maiorder success is getting the ring information systems, Withhigh operational gearing, what Empire really needs is a rise in turnover, and the 13 percent advance in the second hat is not particularly encouragingset.

not particularly encouragingsel last year. The new catalogue apparently going well, and to company should make at lea £7m this year. However a pro

FUTURE DATES.

Astbury and Madeley

continues to grow with a wide spread of general basiness. Since bis last report, the group bas reduced a rather

large order backlog and can now offer better deliveries due to increased production efficiency. pective p/e of 15 at 184p is high efficiency.
on trading grounds, while the With a bealthy order book, four major corporate share he is confident of achieving an-

holders seem in no hurry to other satisfactory full year, launch a bid. while at the same time, the group continues to plan through troup continues to plan through tarketing, development and itality for the longer term.

The pre-tax figure included a fare of profit in a related comply of £47,000. Tax for the pool was higher at £429,000 a copared with £326,000. After a milrities of £12,000 (same), atthutable profits were a £51100 against £374,000.

Th interim dividend is in-crease from 1.5p to 1.8p net— last ser's total was 3.6p from Apr. 10 dends sorb £113,000 (£94,000),
Apr. 8 leaving etained profits £119,000 higher £399,000. Stated earnings pd 5p share improved from 6p 8.2p.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.

BOARD MEETINGS (1.0) TOSUMD &



COMMONWEALTH BANK OF AUSTRALIA

(A statutory corporation of the Commonwealth of Australia)

A\$125,000,000 Zero Coupon Notes Due 1991

The Commonwealth of Australia guarantees the due payment of all moneys that are, or may at any time become, payable by the Commonwealth Bank of Australia

Issue Price 55.45%

The following have agreed to subscribe or procure subscribers for the above Notes:

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Dresdner Bank Aktiengesellschaft Hambros Bank Limited

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Salomon Brothers International Limited

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Banque Nationale de Paris Commerzbank Aktimgeselischaft

Credit Suisse First Poston Limited

Kredietbank International Group

Morgan Guaranty Ltd Nomura International limited

Union Bank of Switzerland (Securities) Limited

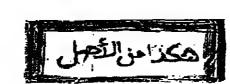
Application has been made to the Council of The Stock Exchange in Londonfor Notes in the denominations of A\$1,000 and A\$5,000 constituting the above issue to be admitted to the Official List, subject to the issue of the temporary Global Note.

Particulars of the Notes and the Issuer ore available in the Extet Statistical Servid. Copies of the listing particulars relating to the Notes may be obtained during normal business burs up to and including 8th April, 1986 from the Company Announcements Office of The Sock Exchange and up to and including 18th April, 1986 from:-

Orion Royal Bank Limited,

l London Wall, London EC2Y 5JX

R. Nivison & Co., 25 Austin Friars, London EC2N 2JB



COMMERCIAL LAW REPORTS

Digest of cases reported in Hilary Term

FROM FEBRUARY 7 TO MARCH 4 1986

Hedges & Butler Ltd v Commissioners of Customs and Excise (FT. February 7)

The Customs and Excise wrote to Hedges & Butler calling for the production of an extensive list of business documents under regulation 8 of the Excise Warehousing Regulations .1852, which refers to "all records" relating to an occupier's or proprietor's Charles E Early A Eas Inc.

The Customs and Excise damages. But that still left the court with power to give indigment on liability and to assess the damages and interest, taking account of the fact that there had been a payment and acceptance on account of a sum equal to the full amount of the damages.

The Customs, and no justification for reading in any implied exclusion.

**Bulk Oil (Zng) AG v Sun International Ltd and Another (FT, february 21)

In a reference by the English Commercial Court to the European Court of Justice concerning a refusal on the part of EP

Nile Company for the Export of Agricultural Crops v H and J. M. Bennett (Commodities) Ltd and Others (FT, February

In 1980, the plaintiff, an Egyptian state-owned commercial organisation, signed an agreement with the defendant buyers which entitled the latter to offset the value of damaged goods from the f.o.b. price. Payment was to be made against shipping documents in any event. Nine disputed shipments of potatoes arrived, and the parties agreed on a settlement procedure. At the end of 1981, the Egyptian Government stipulated that benceforward narmount was to be made only

for which judgment is given

ACROSS

1 Marked and imperfect pieces -a pound only (8)
5 Concerned with some cattle

show (6)
10 Hooligans demonstrate affec-

tion in a back-street (5)

11 Having caught the spirit,
beat it! (5-4)

12 A sort of transport club. A

non-male

wanted filmsy stuff (6)

15 Encourage a friend content

18 Charwoman setting about heel with little hesitation (7) 20 Attacked — bombed maybe

22 Player joining church group

War, war is still the cry.

War even to the Byron (Childe Harold) (5)

feature that's depressing (6)

27 Anything but wet about a

28 In favour of investigations, yet makes complaint (8)

DOWN

3 Keeps airborne? (7, 2, 3, 3)

is upright (5-4)

24 State whereabouts (9) 25 Didn't indulge a seaman

twisted instead (9)

children

name's needed (9) 13 Fit beevyweight - trains

in retirement (7)

inside (3, 2)

F.T. CROSSWORD PUZZLE No. 5,988

YDKEN

looking at the document without could incinde simple interest reference to the Uniform After the action had begun, the Customs. There was no express defendant had tendered the provision excluding the Uniform

> ICI won its appeal to the Codrt of Appeal asserting that it was sufficient locus standi to apply for judicial review, because it came before the court qua competitor and not qua taxpayer. Also it bad locus standi under EEC law because the low valuawas entitled to the fruits of

British Leyland Motor Corpora-tion Ltd v Armstrong Patents Co Ltd (FT, March 4)

In allowing an appeal by Armstrong Patents asserting that it was entitled to manufacture exhaust pipes for BL's Marina cars, the House of Lords said that exploitation of copyright law bad gone far enough. It extended to the direct reproduction of a functional article such as an exhaust, but so as to defeat a motorist's right to repair his car with an exbaust pipe of his own choosing This digest will be concluded on Tuesday. By Aviva Golden

THE FINANCIAL TIMES will publish a Survey on INDUSTRIAL

STANDARDS on April 22 1986 For further details, please contact: MARK FISHER on 01-248 8000 ext 3389 FINANCIAL TIMES

Europe'a Bosiness Newspaper

When two subsidiaries of In re State of Norway's Appli- Imperial Foods sold their entire In re State of Norway's Application (FT, February 18)

By a majority, the Court of Appeal allowed an appeal by two officials of the merchant bank, Lazard Brothers, asserting that they were not obliged to give oral evidence in Norwegian proceedings relating to a trust for which they acted as bankers at all material times. The scope of the request, made by the Norwegian Government under the Evidence (Proceedings in Other Jurisdictions) Act 1975. was so wide it went far beyond the elicitation of evidence and contained a great deal of impermotive. The function of an actuary was to achieve the

procedure. At the end of 1931, the Egyptian Government was so, wide it went far beyond the elicitation of evidence and charge of the price of the price of the shipments and a counter. Calming the parties from further liability ander the settlement agreement due to impossibility of performance. However, under Egyptian law their rights and obligations in the original agreement revived.

In an eppeal hy a reinsurer against summary judgment for the amount; claimed, plust is subject to Uniform Customs terms, it was and no common law power to award interest, on cast their two parties of evidence and the elicitation of evidence and the elicitation of evidence and configuration of evidence and charge of imperative the price of the evidus persons interested in the greatest possible degree of fair-neass between the verious exchange the evious persons interested in the greatest possible degree of fair-neass between the verious exchange the evidus persons interested in the greatest possible degree of fair-neass between the verious method to method that the scheme. Because the verious exchange in the original agreement due to impossibility to receive conditation was a creat partie of the state of the state of the state of the evidus person stated that the court must not treat section 57 as impliedly repealing anything in the 1934 Act unless it was convinced that they could not stand together.

Regina v Attorney-General ex parte ICI (FT, February 28)

entitled to judicial review of en Inland Revenue valuation of North Sea ethane gas. ICI alleged the valuation was ertificially low for petroleum revenoe tax purposes, thus giving ICI's competitors, Sbell and Esso, en unfair advantage. The court upheld Mr Justice Woolf's decision that under netionel law, ICI hed tion had distorted competition and favoured the oil companies as against ICI, thus qualifying as an improper "aid" under Article 92 of the EEC Treaty. However, the judge was wrong to refuse a declaration with regard to any reliable above. gard to any valuation alreedy made and to direct the Revenue only on a future valuation. ICI

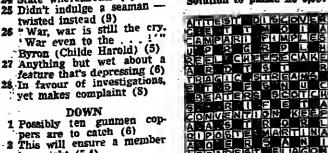
 9 Approached a painter — intended to get pictures (6)
 16 Pare if it's to go into drinks (9)
17 A case of a blackleg turning gloomy (8)
18 Telephone about one's appearing (6)
20 Beastly fighting man finding it dull before a stick-up (7)
21 This French place causes some displeasure (6)
23 Try a little discrimination BL was not entitled to assert its copyright in design drawings

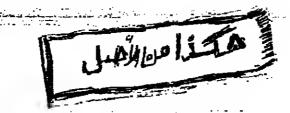
23 Try a little discrimination Solution to puzzle no 5,987

4 Creating a scene about bottle-opener not being there

6 The retired person can get heated over it (8, 7)

7 Within a year lyuxes may be extinct — so soon! (5) 8 He'll regret organising strike register (8)





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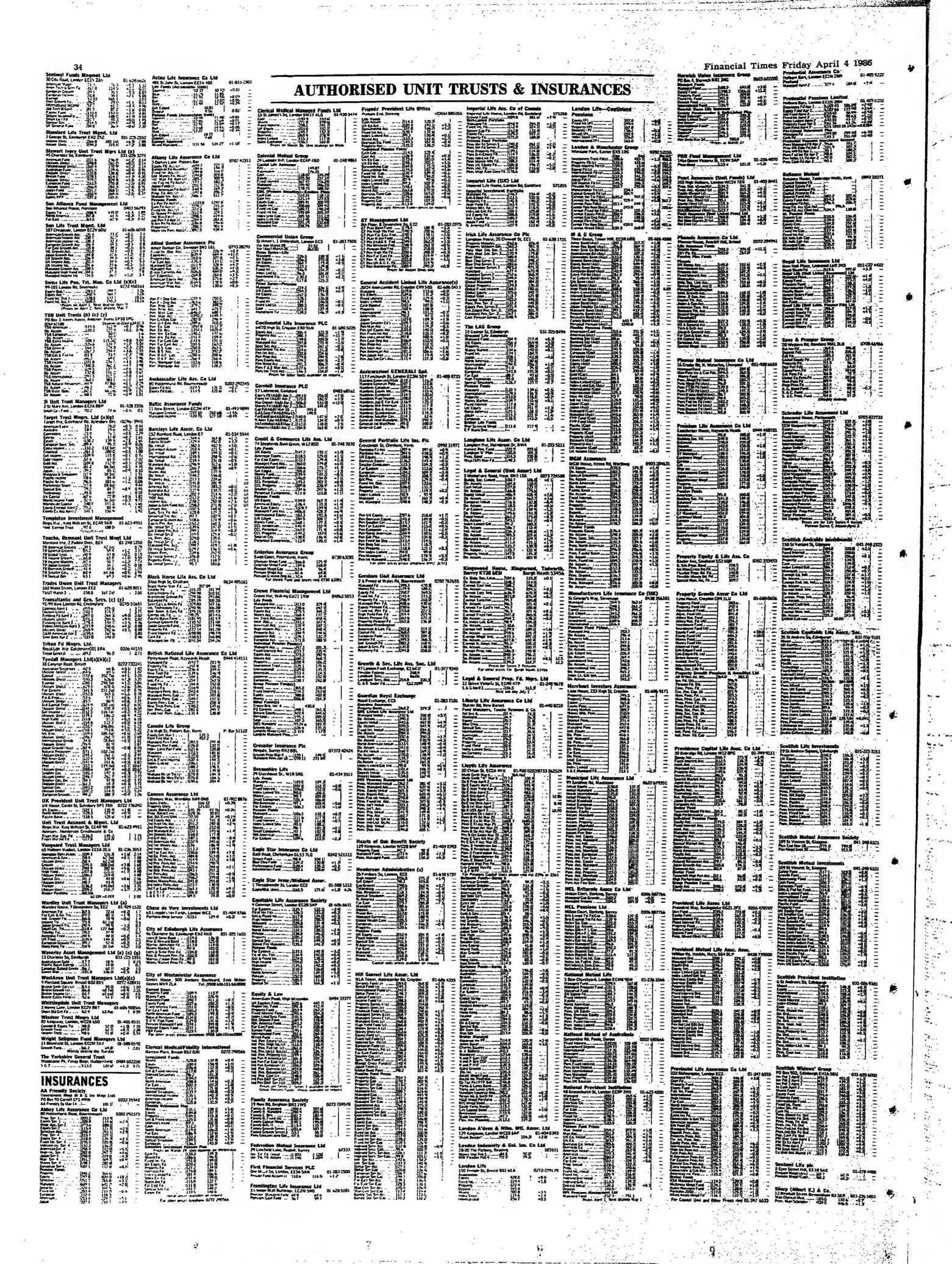
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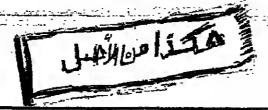
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CHICAGO.

LIVE CATTLE 40,000 lbs; Conts/lb

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SOYABEAN OIL 50,000 lbs: cents/lbs

World grain stocks record forecast

WORLD CEREAL stocks are forceast to rise during the 1985-86 season by about 20 per cent to a record 377m tonnes, the monthly Food Outlook of the UN Food and Agriculture Organisation (FAO) said yes-

Nearly all the increase would be in coarse grains (maizc. miltet, sorghum, etc), with a slight rise in wheat stocks as well, the publication said. Rico stocks are expected to fall.

As a result, global cereal supplies for 1985-86 are expected to expand to a record 1.993m tonnes, reflecting also the exceptional cereal harvest last year, now estimated at a

last year, now estimated at a new high of 1,837m tonnes as against 1,801m tonnes pre-

able decline in purchases by the USSR and lower imports by developing countries."

In its first forecast for world wheat and coarse grain produc-tion in 1986, Food Outlook predicts output of the two cereals at 1,845m tonnes, down from the

record 1.376m tonnes in 1985. Wheat production is expected to rise slightly to 515m tonnes but that of coarse grain could drop by about 4 per cent to 830m tonoes. Most of the 1986 crops have yet to be planted and the present forecasts are based on winter plantings. Early prospects for 1986 crops ore mostly favourable, the report

 CZECHOSLOVAKIA aims to harvest 11.4m tonnes of cereals in 1986, which would ensure its independence of grain im-ports, the official news agency Ceteka said yesterday.

Ceteka said yesterday.

Ceteka reported last October that the 1985 grain harvest of 11.7m tonnes, down from tho 1984 record of 12m, was the third successive good harvest and brought the country nearer to cole sufficiently in food and to self-sufficiency in food and

farm products.
In 1986 it will export a total of 20,000 tonnes of seeds, two-thirds of which are to be grado seeds, the agency said, odding that sowing bad begun in the warmer regions.

a THE INDONESIAN Government has told state-run oil palm plantations to cut research and development spending in order to hring production costs below the current crude palm oil (CPO) export price the Kompas newspaper reported in Jakarta.

Kompas also quoted the Agri-ulture Minister, Mr Achmad lations until prices improve. Earlier reports said state plantations, which account for two-thirds of Indonesis's CPO output, were producing at an average of \$200 a tonne. The

\$160 a tonne in March. • THE KUALA LUMPUR Tin Market (KLTM) was expected to remain weak last night as foreign burers remained obsent. Wednosday's KLTM tin price was fixed at 14.50 ringgit a kilo, the first fixing sioce March 20. The price was the lowest traded since the KLTM resumed operotions on February 3. Turnover was 15 tonnos. Dealers said, bowever, that the price was still

ot a premium against the Lon-

A BIG enestion mark hangs

Venezuela moves ahead \$460m bauxite project

ore from large deposits of high-grade bauxite located in the jungles of Bolivar State.

The project run by a state-owned company called CVG Bauxita Venezolana CA (Bauxi-veo), is expected to require a totat investment of around \$462m, including basic project work and related infrastructure. Financing is to be obtained from the Government's own resources, ao Intor-American De-velopment Bank loan and aupplier credits. Venezuela's President, Jaimo

Lusinchi, recently visited the Bauxiven mine sito for the official initiation of construc-"Larger cereal harvests in several importing countries. notably the USSR and a number of African countries, hove sharply reduced import demand." Food Outlook noted.

Consequently, world trade in cereals in 1985-86 wos forecast to decline by 32m tonnes to 187m tonnes, the lowest level since 1978-79. "reflecting a aizeable decline in purchases by this woor form oil the course of this year from oil, the source of most Veoezuelan Government

> Work on the long-delayed project is now moving ahoad on several fronts. Civil engineering and equipment contracts have ben ossigned to state and private companies for major portions of the mine and related areas. Other important contracts — including mobile equipment for the mine, a conveyor belt to carry ore. barges, huovs and navigational oids for the Orinoco river, and a system for loading and hand-ling materials at the river port Government, despite its desig-project.

fully integrated alumioum in-

dustry.
The deposits of high-grado bauxite were discovered in 1976 at a site called Los Pijiguaos.



on a mountain caled Cerro Piez about 600 metres above sea level near the Suapure River. Geologists bave ideotified over Geologists bave ideotified over 200m tonnes of readily oxtractable ore, which would last around 65 years of the planned production rate. A Bauxiven official estimoted that probable bauxite reserves at Los Pijiguaos and noarby areas could reach 4bn to 5bn tonnes.

heen spent on the project.

Bauxiven has fallen behind

AFTER YEARS of delays, the Venezuelan Government is yet.

Moving a bead with development of a bauxite mine expected to produce 3m tonnes per year of capacity, the country could save not clear if it will be able to a year of ore by 1987, but it is not clear if it will be able to meet this goal. Two years ago. President Lusinchi named Mi Hector Soucy, an engineer with experience in the private sector. as prealdent of Bauxiven. Mr Soucy, who has a reputation for getting things done, also has a good working relationship with the government-appointed Tsar of the Guayana region, State Minister Leopolde Sucre Figarella, who is responsible for overseeing all Gnayana Davelopment Corporation (CVG) proas president of Bauxiven. Mr

ment Corporation (CVG) pro-

Two successive govornments

identified Bauxiven as a neces-sary project but were unableor unwilling—to make any real progress. The development of a hourite mine at Los Pijigusos was first announced at the end of the Perez Government's tenure. In 1979, but no concrete oction was taken during that period. The Herrera Administration (1979-84) at first gavo considerable attention to Bauxiven and acaled the project down to approximately the current level of production. By the time tho last administration decided to move ahead, though, it began to worry about felling oil prices. In the end, it ran out of monoy and left Bauxiven in

From the time it took office in Fobruary 1984, the Lusinchi administration assigned high priority to restarting Bauxiven.
But sluggish decision-making
and other problems caused a
delay of almost two years. Now, a decade after the discovery at

US withdrawal from coffee pact Official closing (am): Cush 962-4 (977-8); three months 865-7 (993-1.5); estilament 864 (878); Turnover, 37,800 tonnes. US Producer prices 68,50-7) 'would not be catastrophe'

US WITHDRAWAL from the International Coffee Agreement is a worrying possibility but would not be a complete catas-

would not be a complete catastrophe for the trode, Colombian
officials and trade analysts said
yesterday, reports Rentor from
Bogota.

In a recent letter to Colomhian President Belisario Retancur, President Ronald Reagan
said the US was preoccupied
by the fact that the international coffee accord, one of since the International Coffee the first commodity agreements—
Organisation (ICO), which has of its type, had not been impleresulated the world's coffee of its type, had not been imple-mented as it should.

culture Minister, Mr Achmad justified, Mr Reagan 2dded, Sald a US trade policy group above the agreement's ceiling tions bave been told to exclude depreciation in CPO cost calculations of the pact burt US consumers.

Continued participation was Colombian government officials report on the colombian government officials above the agreement's ceiling above the agreement's ceiling above the agreement's ceiling the colombian government officials report on the colombian government officials above the agreement's ceiling above the agreement above the agree

"Obviously, a US withdrawal would deal a heovy blow to the part because the US is the world's major consumer. It

The current coffee agreemen said it would review its membership after three years. of the customs service to con-trol imports in accordance with the pact'o, regulations beyond the expiration odate of

The world's \$10bh a year Organisation (ICO), which has coffee trade has heen-regulated regulated the world's coffee trade has heen-regulated trade since 1962, had failed to regulate the world's market complex system of export quotien which was suggested in Washington was looking carefully at the pact to see if its
continued participotion was
justified, Mr Reagan 2dded, sald a US trade policy group

regulate the world's market complex system of export quotas which was suspended in February after prices soared above the agreement's celling

Ivory Coast to clarify cocoa stance

on a new international pact for cocoa, the official Ivorian daily Fraternite Matin reported yesterday. It sald the Agriculture Minister, Mr Denis Bra to the Ivory Coast's amounce-Kanon, bad told a cabinet meet-ment to cocoa producers and ing "a campalga organised by people of manifest bad falth" that it would not join a new had been lounched ogainst the Ivory Coast rogarding its position on the pact, reports Renter from Abidjan.

The announcement was seen by participants as onding any chance of agreement on a work-

THE IVORY COAST is plan-ning a series of news con-ferences to outline its position to each article which did not the Ivory Coast and the US, state the facts as they are," the

daily reported.

It said Mr Bra Kanon briefed the meeting on the background ment to cocoa producers and

of a premium against the Loss don grey market level, and Mr Bra Kanon was given perable new accord with economic state would join a new pact those in Thailand and Indonesia.

Mr Bra Kanon was given perable new accord with economic state would join a new pact mission by bis cabinet to clauses. But later reports bave have recently been a factor in suggested that the Ivory Coast the world cocoa market.

The Ivory Coast and the US the world's biggest cocoa pro ducer and consumer respec-tively, do not belong to the current pact which expires at the end of September.

Mr Bra Kanon told the calinet meeting many international commodity pacts had not worked the daily reported. Changing trade expectations on whether the West African

Ethiopia's rehabilitation effort falters

BY JOHN MADELEY, RECENTLY IN ETHIOPIA

vagaries of the weather and take drought in their stride. Government spending on agriculture remains low; in the year ending July 1985, 13.5 per cent of its revenue was aflocated to agriculture but less than half that amount was actually given. In total only \$120m was not into agriculture by the over the Ethiopian Govern-ment's "rehabilitation programme for the drongbt-affected areas" launched in the wake of perhaps tho world's worst ever famine. The need for the programme is everywhere to be seen. To try to survive the famine many small farmers sold their tools, equipment and cattle; and they desperately need replacements if they are to farm their land. Although the country's main

farm tool makers, the Ethio-pian Metal Tools Factory, is verking a 24-honr shift system Its ontput atili falls far short of demand A \$19m project financed by the UN's International Fund for Agricultural Development (Ifad) Includes the provision for over 1m hoes and pickaxes for needy farmers. The tools

for needy farmers. The tools were purchased from China ot a cost of \$3 each hut subjected to a 100 per cent import tax by the Ethiopian Government—to the considerable annoyance of project officials. After languishing for several months in an Addis Ababa warehouse the tools were being moved out to farmers in late January, in time for March's short season rains.

But although most farmers

should soon have tools what they lack is the back-up from government that would allow them to escape from the

vagaries of the weather and

one into agriculture by the Government in this time to be shared between some 35m rural dwellers in an area twice the size of France.

Irrigation facilities are practically non-existent for the great majority of farmers; of the 13m hectares of land in Ethiopia that grow erops, there is irrigation on only 100,000 hectares. The effects of this are now being felt in the country's huge eastern Hararge province where rains have continued light—only in southern and light—only in southern and western parts of Ethiopia havo rains returned to normal.

Around a third of the 3,000

Around a third of the 3,000 or so villages in Hararge harvested such a meagre "rain-fed" erop in December 1985 that hy January they were without food of their own. Yet most villages in Hararge province are surrounded by hills; water is now running to waste rather now running to waste rather than being caught to irrigate

Although Irrigation would be of enormous benefits to many small farm communities in the drought prone areas,

the Irrigation Department of the Ministry of Agriculture in Addis Ababa has such a limited budget that it plans to bring irrigation to only an extra 5,000 ha a year.

extra 5,600 ha a year.
In Hararge province, agriculture has also been hit hy the Government's policy of "villagisation." In the past year people have been forced to move from scattered homesteads into the centres of their villages. The policy was carried out in Tanzania in the 1970's but is now officially admitted to have been a mistake—one that Ethiopia seems intent on repeating.

For the policy has disrupted ogriculture and reduced harvests; whereas people in Hararge previously farmed land around their home, now they are crammed into vil-lage centres and some have to commute five miles on foot to their land to do essential farming tasks such as weed-ing; this has inevitably led to farm plots being neglected. It seems no coincidence that in the wake of villagisation, Hararge now faces a major famins. Some 2m people in the province could be without food of their own Unless agricultural rehabilitation is taken more seriously then Ethlopia is likely to go on needing food aid. Senior UN officials in Addis Ababa believe that of though the Ethlopian Government models to allocate

ernment needs to allocate more priority and money to

agriculture, there is also n agreement, there is also need to western countries to step up development aid to help what is a potentially rich country to become food self-sufficient.

Ethiopia has been given a great deal of emergency aid in the past year but receives far less development aid per far less development aid per head than almost any other country in Africa—only \$5 per head a year against an average of \$20. Italy and Sweden apart, no other government is keen to give aid to the "military socialist" Government of Col Mengistu Haile Marlam. Mariam.

The British Government has

The British Government has indicated a willingness to give £2m in aid for agricultural rehabilitation—but it would prefer to channel the money through non-government agencies, some of whom have mounted village level irrigation schemes.

tion schemes.

But such limited amounts may only be tinkering with a buge problem; o sizeable infection of cash, from both domestic and foreign sources, is likely to be needed If Ethiopians are to have assured means of growing their own Latest estimates of the UN

Food and Agriculture Organi-sation suggest that Ethiopia will need 900,000 tonnes of food aid this year, of which 700,000 is already there, on the way or pledged.

John Madeley is editor of International Agricultural Development magazine.

LONDON MARKETS

THIS WEEK'S relatively gentle coffee price slide continued yesterday with the May futures position finishing £28.50 lower at £2.399 a tonne, some £28 up from the day's low. This took the enmulative loss since the Easter break to £165.50 o tonne. Dealers said market sentiment remained cautious. sentiment remained cautious with little fundamental news to stem the bearish trend. to stem the bearish frend. The cocoa market was also quiet as the week's modest nptrend was halted. The July futures quotation traded within a £17 rango before ending the day £1 dewn on balance at £1.431.50 a tenne. Beports of selling by Ghana and Brazil had pushed prices lower early on but most of the falls were recovered under the influence of a firmer New York market and realistic retreat from traded. firmer New York market and sterling's retreat from traded highs. Following the inter-ruption of its recent uptrend on Wednesday the sugar market registered modest gains yesterday, encouraged by news that Egypt was re-tendering to buy whites next week.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unefficial + or close(p.m.) -	Highilm		
ush months	792.5-3.5: -6.0 813.5-6; -4.75	827/810		
Official	closing (sm): C	ash 790-		

COPPER

Highergrade	Unaffic'	+or	High/low
Cash a months*	871-8 994-4.6	+0 +4	970.0/96
Official ck (975.5-6). (999.5-1000t. Final Kerb o	three settlem	month	992.5
Cathodes	967.0	1.45	1

3 reonths 090-2 |+0.9

LEAD

1			
7		Unafficial + or close(p.m.) — £ per tonne	Highito
t	Gash 5 months	950.5-1,5; +2,5 258,6-9 +1,5	269;249
5	(249.5-50) (258-8.5). Kerb clas	closing (sm): Ca three months settlement 249.5 (; st 457.5-58, Turno IS Spot: 15.72-20	257.5- 250), Final Var. 4,80
e 1		4.57	min mi

	."47	٠.
BILL OIZE		
NICKEL		
NICKEL		i #
		-

	1.2		
	close(p.m. £ per r) -	High low
nah months	2725-50: 2785-90;	+20	2719.2786
2715-20), 2760-5).	closing (s three settlement se; 2780,	2695 (Z	720). Fine

Kuele Lumpur Tin Merket: Close 14.50 ringgit per kg:

High grade	Unofficial + or iclose(p.m.) & per reenth	High/lo
Cash	445-5 -2.70	441.6
5 months	456-6.0 -9	458,453.

Gold fell \$2.25 en ounce from Wednesdey's close in the London buttion market yesterdey to finish et \$333-337. The metal operated et \$330-337 and traded between a high of \$337-337, and traded between a high of \$337-337, and so low of \$322-3334. Trading ramamed on the quiet side with a weaker trand developing in the attention as the dollar improved.

GOLD BULLION (Time ounce) April 3 Class \$135 3331a (#930)a 931)

Opening \$536 12-387 M'ni'g fix. \$536.60 Aft'n'n fix \$334.75	(£229,370) (£229,469)
GOLD AND PLATES	
Kr'g'r'nd, 83341; 839 le Krug. 8175 1761; le Krug. 889.90 1/18 Krug. 886.37 Mephelaal 83451; 346 Angel 83451; 3441; 1/10 Angel 8514.581; New Sov. 869.861; le New Sov. 689.861; le New Sov. 688.881; 320 Eagle \$430-470 Noble Plat \$41.81; 483 le	(£250 2301g) (£119%-1211 (£116%-12114) (£244,-2341 (£244,-236) (£224-236) (£225,-264) (£55.531g) (£55.531g) (£244,-390) (£224,-992) (£2264,-230)

SILVER

Oliver was fixed 9.5p an ounce sigher for spot delivery in the London builton market yesterday at 353.25p.
US cent equivalents of the 5xing levels ware: spot 517.5c, up 7.3c; three-month 535.45c, up 7.1c; els-month 535.55c, up 7.15c; and 12-month 554.1c, up 7.5c. The matsi opened at 233.3543p (515-517c) and closed at 249-351p (510-612c).

LVER	Buillion Fixing Price	+ or	LALE. p.m. unoffic	+ -
OHLUS.	553,25p 552,65p 371,19p 586,15p	+5.56 +5.56	368.0p	+(63

1345-Tumover: 2 (25) lots of 10,000

SOYABEAN MEAL

close - Business

	per tonne		
Apr	184.0-185.0	+0.85	130.4
August	126.S-125.8	+0.95	126,4
October	198.8.197.1	+0.75	_
Feb.	180.5.181.6	+0.76	191.0
Apr	151.5-132.5	+1.10	
Sales: 85	(300) lots	of 20	tonnes

INDICES

The reversal in sentiment was induced by US Vice-President when meeting with Saudi Arabian officials lator this week Precious motal recorded

MAIN PRICE CHANGES

METALS	Apr. 3	+0	wouth
Atuminiura Free Market	- 1705.ZOE	90	#1900.0E0
Copper			- 12201200
Cash h Grade	C971 5	+9.0	£982.0
Z rathe	. C994.25	+4.0	£1943.25
Gold Tray oz	. \$335.25	1.75	1336
Land Cash	.jee51	+ a.0	2254.9
3 mths	.4258.75	+1.5	£354,35
Free Mkt	120,100		IDE. 905~
Palladiura oz	Q104 B	13.75	1107 25
Platinura oz	\$407.00	+ 1.60	1398.60
Quicksilvert	\$230/255		2559/548
Silver troy oz	. 363,299	0,64	593,20p
3 months			
Tin cash			1
3 months		1	266.32
Wolfram 22.6/b.	348,55		\$56/63
Zino			2425.5
3 months			
	8460/870		3650/678

FINANCIAL TIMES

REUTERS

DOW JONES

April & April 1 With ago Yearago

(Base: July 1 1952=100)

April & April 2 Afth ago Year ago

1822,7 1828,7 | 1802,7 1931.0

(Sase: September 18 1931-100)

Dow April Mar. Month Year Jones 1 31 ago ago

Spot .129.74130.22 — 112.51 Fut. |129.00190.75 — |124.06

\$5E08
Copra Phil \$190x\$180 Soyabean (U.S.) \$188y\$220.
GRAZICS
Barley Fut.Sept.1208.15 -0.85 £116.1 Malze £149.0 £143. Wheat Fut July.19110.6 -0.55£118. No. 2 Hard Wint.
OTHERS
Cocon Ft. May E1394.5 4.D R1556

\$ Unquoted, † Per 75-lb 96ek, c Cents Pound, v May, y April-May, z Merch-April, w June.

PHYSICALS—The London merket dirited lower throughout the day on lack of buying interary and closed sherply lower, reports Lawis and Post, Closing prices (buyers): Spot 56-50p (S7.50p); May 54-50p (S7.50p); Juna 90.00p (66.00pt; The Kuela Lumper lob price (Melaysis/Singapore certat per kg: RSS No 1 was 190.5 (191.5) and for SMR 20 182.5 (184.0).

	April				
remaine					
elightly	lawar	in sme	W No	uma.	report
Pigme/	Capri	I-CCS	Γ.		
PIGME	4		V 18	EU	, , , , , ,
Month	- X40	**	OC Y	dsy.	+ 01
Andi	1 301	20		NOS.	
ADMI	102	10 -	1.80	83.00	18.5
June	105	50 +	2,58 ×	89,00	! -
July	103	60 -	0.40	182,00	-

Seel sales: 3 (51) lots of 20 sides.

Forward Brent traded eround \$10.00 during the morning. Nymex opecad 50 cents down for May but recovered to trade 23 cents up before assing back to eround Wednesday's close by 12.30 pm EST. Brent followed Nymex up with May barrels reaching \$10.75 by the London close. In the petroleum products merical gesoil prices to North West Europe were down slightly leaching morning trade. Heavy lue! Isil sharply, as supply outstripped demand—Petroleum Algus, London.

GRAINS

POTATOES

Market continued trend of week, registering gains of £3.00 during day, dipping towards close on profit-taking, but with undertone nevertheless still 9m. After London close rumour emerged that PMB had announced on radio a large delict for the crop year. Market now almost £10.00 up on week

Month	Latest	+ 01	Business Done
	s US per tonne		
ipril	148,00 126,60 119,60	-2,08 +8,75 -1,00	142,00 26,00 126,56-19,50 120,00-15,90
Aug Sep.,	128.75 181.79 191.50	-1.75 -1.75 -2.50	118.75-14.75 121.75-17.50 125.60-20.25

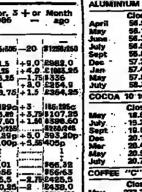
Values traded to a fifty pound range today with the low trading on the opening. Trade buzzing took values back to around unchanged in comparatively light volume. Talk of large sell stops in New York kept London trading nervously for most of the day, only

US MARKETS

OIL FUTURES closed firmer. George Bush's comments that he would emphasise importance of stabilising oil prices week, Precious motal recorded minor gains on the back of firmer oil prices. Copper and aluminium held ground on light speculative buying con-tributed to continued low stock levels. Sugar remained firm recouping earlier losses. Cocoa remained higher with crisins and manufacturers

Because of the temporary widening of the time gap between the US and Britain, last night's New York and Chicago closing prices were not available for this edition. The prices shown here are as

erigins and manufacturers removed from the market. NEW YORK



TAME INCOMPLETED INTO THE PARTY OF THE PARTY
19ED8
Copra Phil \$190x \$180 Coyabean (U.S.) \$188y \$220.5
MAINS
Partey Fut. Sept. 208.15 -0.88 2116.80 faite £142.0 -0.56218.60 -0.56218.60 fo. 2 Hard Wint.
OTHERS .
occa Ft. May #1394.5 -4.0 £1586.5 Coffee Pt. May #2345.0 -42 #2622.5

Coftee Pt. May | \$2540.0 -48 | \$2008.5 o. |
Coftee A Index | 49.95c | -0.15 53.95c |
Gas Oil May | \$126.5 | -0.75 \$133.75 |
Rubber (klio) | \$126.5 | -0.75 \$133.75 |
Rubber (klio) | \$185.7 | -1.0 | \$155 |
Wooltops 64s | 415p klic | 44 | 416p kla

MEA						
Spot weaker remains slightly Easters	tone d stea lower Capets	dy. B	fore	prices lume,	close	4
PIGME/	Yda	¥1±	or S	days close	+ or	,
April May June July	102	10 -	1.80	183.00	- 8.0	•

SPOT PRICES

Lutest ORUDE OIL-FOE (\$ per barrel)-April

Turnover: O lots of 1,000 barrels. GAS OIL FUTURES

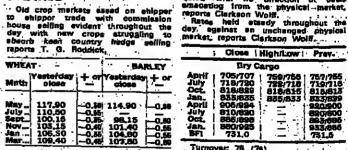
		-	
Month	Latest Close	+ 01	Business Done
	s Us per tonne		
pril	148,00 126,50	-2,38 +0.75	142,00 26,00 126,56-19,50
ure ury	128.75	-1.75	120,00-16,90 118,75-14,75 121,75-17,60
eb"	191,50	2,50	125,60-20,25

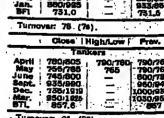
SPOT PRICES—Chicago loose lerd 12,00 (same) cents per pound, Handy and Harman silver buillon S14,0 (512.0) cents per troy ounce.

and booksquaring shead of weekend could limit upside move dill next week, reports Coley and Harper. Latest Previous Business close close done Sales: 1,504 (1,225) lots of 40 termes. Earlies—July 97.00 +0.50, Aug 76.00 unchanged. Sept 75.00 +5.00. Sales: 20 (0) lots of 10 termes.

FREIGHT FUTURES The April futures steaded eligity, but the ramsinder of the merket was quiet, with no direction or oews emacating from the physical merket, reports Clarkson Wolff.

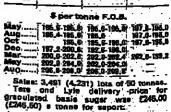
Rates held stawdy throughout the day, against an unchanged physical merket, reports Clarkson Wolff.

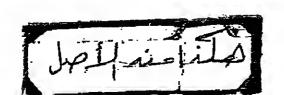




SUGAR

LONDON DAILY PRICE Rew sugar \$206.00 (C160.00). down \$1.50 (semet a lonne for April/May delivery. White euger \$219.00, +\$2.50.





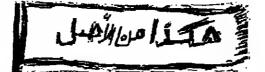
given.
OUNOAS & WILSON, C.S.,
25 Charlotte Square,
Edinburgh,
Sol-citory for Petitionary.

IN THE MATTER OF ALBANY WINES (SOUTHERN)

ebts am proved.

Dated this 20th day of March, 1988,
P. W. J. HARTIGAN (F.C.C.A.),
Liquidarar.

No. 008140 of 1985 IN THE HIGH COURT OF JUSTICE Chancary Orvision In the Matter of TV-AM UMITED



CURRENCIES MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up in erratic trading

The dollar finctuated quite sharply in nervous and erratic sharply in nervous and erratic trading yesterday. There was no clear concensus as to how the dellar was likely to perform over the short term against a background of oil price in stability and conflicting views on how central banks viewed the forward gramma and the stability are recent parformance. dollar's recent performance. A dollar's recent performance. A cumber of large selling orders wiped away early optimism, the letter based on the Bank of Japan's refuctance to see the dollar fall any further, as rumours circulated — later proved false—that other central

banks were selling dollars.

As the rumours proved unfounded so the dollar improved conce more but lacked sufficient conviction to break through the DM 2.40 level against the D-mark down from DM 3.480. It was higher against the D-mark down from DM 2.5860, up from PFF 10.7550, giving rise to clear indication of the dollar's everall trend since his recent from PFF 10.7550, giving rise to to the Bank of Japan's limited to the buge US trade deficit. The dollar closed at Y179.65, compared with Y179.55 and SFF the possibility of a realignment in the EMS. There was little to buge US trade deficit. The dollar closed at Y179.65, compared with SFF 1.9825. It was higher against the French from FFF 7.2950. On Bank of England figures the dollar's exchange rate against the O-mark down from DM 3.490. It was higher against the D-mark down from DM 3.490. It was higher against the D-mark down from DM 3.490. It was higher against the D-mark down from DM 3.490. It was higher against the dollar's proposed in Tokyo on Wednesday.

There were no fresh economic from FFF 10.7350, giving rise to to the Bank of Japan's limited to the Bank of Japan's limited dollar buying, and there has been mostly in reaction to the Bank of Japan's limited banks were selling dollars.

£ Spot \$1,457-1,455-\$1 455-1,466-1 month D.52.0.48pm 0.56-0.55pm 5 months 1.44-1,39pm 1.48-1,45pm 12 months 3,84-3,74pm 5.82-3.95pm remience and discounts apply to the US dellar STERLING — Trading range against the dollar in 1886 is 15115 to 1.3779. March average 1.4681. Exchange rate index 76.5, unchanged from the opening and Wednesday's close and compared with 80.2 dx months

It was higher against the French dollar it fell to \$1.4580 from franc at FFr 7.3950 from FFr \$1.4715.

7.2950. On Bank of England D.-MARK. Trading range figures the dollar's exchange rate against the dollar in 1986 is index rose to 120.8 from 119.9.

2.4710 to 2.1990. March average

POUND SPOT-FORWARD AGAINST POUND | S | spread | Close | One reonth | Da. months |
1.4545-1.4695	1.4575-1.4696	0.33-0.50c pm	4.24	1.45-1.30pm
1.4545-1.4695	1.4575-1.4696	0.33-0.50c pm	4.24	1.45-1.30pm
1.4565-1.4695	3.911-3.924	27-1.7c pm	8.13	27-1.7c pm
1.4567-1.565	1.2696-1.2687	27-1.2697	27-1.2697	27-1.2697
1.4500-1.1565	1.2696-1.2697	23-2.267		
1.4500-1.1565	1.2696-1.2697	23-2.267		
1.4500-1.1565	1.2696-1.2697	23-2.267		
1.4500-1.1565	1.2696-1.2697	23-2.267		
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DOLLAR SPOT-FORWARD AGAINST DOLLAR

Norwey 7.30*-7.43 7.39*-7.45 7.28*-7.43 7.39*-7.45 7.28*-7.28*-7

EURO CURRENCY INTEREST BATES

Sterling 111g-113g 115g-113g 11.g-114g 114g-114g 1Dig-105g 101g-1D1g
U.S. Dollar..... 772g-71g 772g-772g 772g-772g 772g-772g
Can Dollar.... 11-1119 11-1119g 105g-107g 97g-101g 97g-101g
D Guilder 53g-51g 53g-51g 53g-51g 53g-51g 53g-51g

53g-51g 53g-51g 53g-51g 53g-51g 14-18 814-814 814-9 413-0 754-814 716-715 934-10 14-10 5-5-58, 834-914 718-714 1014 1019 16:24 534-578 834-914 716-718 B.Fr.(Fin)..... B.Fr.(Gon) 1114-1112 20-25 514-57a 81g-9

AOF. 6 & S DM YEN FFE. 6 Fr. H.FL Lira CS BFr.

EXCHANGE CROSS RATES

0.288 0.418 1. 75.34 5.101 0.857 1.127 688.6 0.564 20.45 5.617 5.665 15.27 1000 41.15 11.11 14.85 2076 7.754 071.4 9.907 1.358 5.226 243.0 10. 8.699 3.635 2303 1.864 65.94 0.344 0.001 1.195 90.03 3.705 1 1.346 817.8 0.698 24.45 0.855 D.312 0.885 68.98 2.758 0.743 1. 507.0 0.519 18.15 0.421 0.615 1.462 110.2 4.554 1.204 1.647 1000, 0.854 29.90

£ IN NEW YORK

The D-mark lost ground to the deliar in Frankfurt yesterday as the deliar finctuated in bury trading on rumours, later proved to be false, that central banks were selling deliars. The US unit rose to DM 2.3835 from DM 2.3710, although it finished below the day's high of DM 2.3835. Trading was rather confused.

confused.

JAPANESE VEN — Trading range against the dellar in 1986 is 202.75 to 178.00. March average 178.65. Exchange rate index 195.9 against 171.6 six menths age.

Y178.50 in Tokyo on Wednes-**CURRENCY MOVEMENTS**

Morgen Guaranty changes: sverage 1980-1982-100, Bank of England Index (base average 1975-100). Morgan Guaranty rates are for

76-95 10.7767 10.7767 10.7767 10.7767 10.7767 10.7767 10.85331 10.80184 10.80 CERT, DEPOSIT (IAMA) 51m points of 100%

* Setting rets, f Correction - (April 2) - Saudi -- E rate was 5.3345-5.3570.

1.00 pm 2.00 pm 3.00 pm 4.00 pm EMS EUROPEAN CURRENCY UNIT RATES

±1.5425 ±1.6421 ±1.1456 ±1.3654 ±1.5162 ±1.8673 ±4.0656 44,6251 8,04186 2,17619 5,69637 2,46268 0,719974 1481,05 Belgian Franc ... Daoish Krone ... German D-mark Freach Franz ... Dutch Guilder ... Punt :----Changes are for Edu, therefore qualities, change denotes wask surrency. Adjustment calculated by Financial Times

STERLING INDEX

UK clearing banks base lending rates 11½ per cent since March 19

April 3 Previous

76.4

FINANCIAL FUTURES

Estimated volume total, Calls 465, Puts 231 Previous day's open int, Calls 5,023, Puts 0.741

00.000 32mds of 100%

Latest High Low Prev 101-22 102-28 101-15 102-03 June 125-29 127-24 125-24 127-05 101-04 102-07 100-20 101-16 Sept 125-29 127-24 125-24 127-05 Sept 126-07 127-19 126-07 101-00 99-27 100-10 100-29 Dec 128-05 — 127-17 99-13 101-11 99-11 99-11 99-12 Fat. Volume 10.336 (9.877)

98-15 6-15 8-13 8-03 98-17 98-17 Transmry 2004/00 tess equivalent price of near futures contract) — 4 to 4 100-00 100-

CHICAGO

the same of the same of the same of

Late fall in gilts

Long term gilt futures fell in to close only dightly above the late trading on the London Internotional Financial Futures Exchange yesterday. Dealers could find no particular reason for the foll, but mootigned personal for the foll, but mootigned personal for the foll, but mootigned personal for the foll of the recent strength of the following personal for the following personal for the following personal for the following personal for the following personal follow vousness at the recent strength at 90.27, but rose to 9 h of both sterling and dollar denominated interest rato contracts. June long gilts opened firm at 127-12, and rose to a peak of 127-24, but early demand met with no follow through support, and the contract retreated, vicos settlement of 90.33.

Three-month sterling deposits for June delivery opened weaker at 90.27, but rose to a high of 90.38 as the pound performed reasonably well on the foreign exchanges. But sterling's late fall brought June deposits back to finish almost at the day's low, at 90.23, Compared with the previous exclument of 92.3

June US Treasury bonds opened firm and finished higher on the day, but below the open-ing level. There was no new US

the Genera meeting of Ministers from the Organisation of Potro-leum Exporting Countries and April 15, will produce agreement on production cuts, encouraged selling. Chicago opened firm, but selling emerged, and Juno boods closed in London at 192-01, compared with 192-05 at the opening, and 190-21 at Wednesday's close.

Close High Low Prev June 93.06 93.05 93.05 93.05 93.05 93.05 93.05 93.07

economic news and the market's oftention was attracted by sil news. A statement from the White House that the US supports o free market in oil, initially underpinned bond futures, before expectations that the Geneva meeting of Ministers

and 100-21 at Wednesday'o close

commercian a Saturacy of Outlay of Outlife holiday) on or below 5th May 1998.
Written representations concerning the trensfer may be sont to the Secretary of State for Trade and Industry. At the Department of Tinda and Industry, of the Department of Tinda and Industry. Insurance Olvision 1E. Room 552, Sanctuary Buildings, 20 Great Smith Street, London SWIP 308 before 4th Street, London SWIP 308 before 4th June 1998. The Secretary of State will not determine the application before Considering any representations made to him before that day.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY 6th April, 1988.

100.000 32nds of 100%

100.000 32nds of

Legal Notices

THE INSURANCE COMPANIES ACT 1982
ST. PAIR FIRE AND MARINE
INSURANCE COMPANY

ATKEN HUME INTERNATIONAL PLC

In a petition of AITKEN HUME INTERNATUMAL PLC for confirmation of
reduction of share premium account
the Court of Session has pronounced
the following interlocutor:

Edinburgh, Sch March 1968. The Larde, having considered the
Petition and proceedings, no snawers
horing been ledged and having heard
Counsel for the Pentionero allaw the
Petition to be amended in terms of the
Minute of Amonomant No. 20 of process and dispense with re-service of
the Pention as amended, having considered the Report No. 21 of process
by O. S. Williamson, W. S., Edinburgh,
direct that this provisions of Section
136(2) of the Companies Act 1365
shall not apply as regards the creditors
of the Company or any class of them
confirm as reduction of the Comcany's
Snare Premium Account resolved on
by the Special Resolution of the Company deviced 31s1 January 1386 and cot
lortn in the Petition; approve the proposed Minute by the Registrar
al Companies and on eard Order and
Minute being so registrated, order notice
thereof to be given by advertisement
once in the Edinburgh Gazatte and
and Scottman nawspapers and decem.
EMSULE, I.P.O.

The sell order and minute have now
been registered with the Requestrar of
Companies and Intersection thereof is
hereby given. NOTICE IS HEREBY GIVEN that an Application was on 17th Merch 1986 Presented to the Secretary of State for Trade and Industry by St. Paul Fire and Mannel Industry by St. Paul Fire 1981 of the Industries Company ("St. Paul") for the approval of the Secretary of State Outsuant to Section 51 of the Industries Companies Acr 1982 to a proposed transfer to CIGNA Industries Companies and Paul Industries Companies and Paul Industries of the Industries of Industries of Industries of the Industries of I NOTICE IS HEREBY GIVEN that on

THE INOURANCE COMPANY

THE HOME INSURANCE COMPANY

NOTICE IS HEREBY GIVEN that an Application was an 17th March 1986 presented to the Secretary of Stare for Timde and Industry by The Homa Inewarace Company ("Home") for the approval of the Secretary of Stare for Timde and Industry by The Homa Inewarace Company of the Insurance Companies Act 1982 to a proposed transfer to CiGNA Insurance Company of Europe SA-NV ("CIGNA Europo") of all of Home's rights and obligations under policioe written by It in the course of the insurance business carried on in the United Kingdom by Home's Direct, Marine and Avierlon Susiness Depertments prier to 17th March 1988, including provisions resecute the contouration by or against Home which relate to those rights or obligations. The policioes absected by the application companies all policioes written by Home in the course of carrying on insurance business to the United Kingdom during the relevant particles written by Home in the course of Carrying on Insurance humines to the United Kingdom during the relevant particles written by Home in the course of Carrying on Insurance in the Original Treaty Department.

A copy of a Stratement setting out particulate of the greposed transler and or a diff of the proposed heatrument of transler will be open to impaction the office of Home at CIGNA House.

R Uma Street, London ECSM 7NA during normal business houre as any day (office than a Saturdey or Sunday or public holidsy) on or before 5th May 1988,

Writton representations concerning the tender may be sent to the Secretary of State for Trede and Industry, Insurance Sivileion 1E, Room SEZ, Sanctuary Buildings, 20 Great Smith Screet, London SVIP 308 before 4th Juna 1986, The Secretary of State for Trede and Industry, Insurance Sivileion 1E, Room SEZ, Sanctuary Buildings, 20 Great Smith Screet, London SVIP 308 before 4th Juna 1986, The Secretary of State for Trede and Industry, Insurance Sivileion 1E, Room SEZ, Sanctuary Buildings, 20 Great Smith Screet, London SVIP 308 before 4th Juna 1986, Th THE INDURANCE COMPANIES ACT 1982
THE HOME INSURANCE COMPANY

ACT 1985.

NOTICE IS HERESY GIVEN that the Order of the High Court of Justice (Chancery Orvision) dated the 10th March 1985 CDNFIRMING THE REDUCTION of the CAPITAL of the abovenamed TV-AM LIMITED from E14,040,000 to £4,833,369,40 and the Minute appraved by the Court showing with respect to the capital of the Company of a street that a several esticular required by the above-mentioned Act was registered by the Register of Companies on 20th March 1986.

STEPHENSON HARWOOS.
Saddiers' Hall.

Gutter Lane, Cheepside
London EC2V S85,
Solictors to the ebove-nersed Company. Art Galleries BROWSE & DARBY, 19, Cork Street

WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday. April 2, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. Eurodollar Liber as of April 2 at 11.00 a.m. 3 months: 71 6 months: 71

ECU=\$U\$.922125 SDR=\$U51,1314 Sibor as of April 2 at 11.00 a.m.
3 months: 714 6 months: 714

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VALUE OF DDLLAR VALUE OF DOLLAR COUNTRY CURRENCY CURRENCY COUNTRY CURRENCY COUNTRY 240,00 788,50 15,86 20,53 1,818 166,31 152,00 1,00 1,56 18,74 09,780 2,70 1,411 2,70 7,20 4,55 Guarani (o.c.) 2.70 1.00 1.00 1.00 8.80 170.479 340.00 500.00 4.108 6.00 2.00 8.55 1.814 46.98 Grenade.. E. Caribbean & Quetzai (o) Quetzai (h, i) Pese N.Z. Dallar Zioty (0; (5) Escude U.S. dollar Peso Franc (0) Franc (1) Dollar Gourde Austral Fjorin Dollar Schilling Port, Escudo eunion, II do la. Riyal Fr. Franc Leu (cr Franc Poliar Forini E. Caribbean \$
Pound*
E. Caribbean \$
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E. Caribbean \$ 41.77 12.41 1125.00 81.48 0.6109 1.284 1.492 1604.00 352.30 . Krona Rupee Ruplah Rial (e) Dinar Punt^a New Sheke! (12) Franc (c) Dollar C.F.A. Franc 1.00 1604,00 Ind. Rupes |Peso (o) |Peso (f) Dobra C.F.A. Franc Caudi Arabia. Pula Cruzeiro Cruzatio (o) (10) Dollar 8,48 179,00 0,5487 Lev C.F.A. Franc South Africa..... Kyat Franc C.F.A. Franc Sp. Peseta 141,90 Budan Rep.

1.00 0.8769 141.90 30.30 2.0113 48.91 8.00 300.80 1.00 12.41 1904000. 1.7408 13.81 0.1795 0.064 4.52.50 7.5203 10.02 141.00 10.02 141.00 10.63 1 30,8940 Bolivia. Korea (8th)

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Macao

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Madayascar D.R.

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Madayascar D.R. 21.648 0.50 4.00 1.185 5.1495 7.588 1.964 0.025 Escudo Dollar C.F.A. Franc C.F.A. Franc Surinam Swaziland Sweden Switzerland ... Oyris.... Peso (c) Renminbl Yuan Peso (e) C.F.A. Franc C.F.A. Franc Dollar Shuling Sont C.F.A. France Krone Franc E. Caribbean Bhmark Rp. of Ougulya Rupes Peso (d) Peso (or Fr. Franc Pose (d) Miqualon... Menaco Mongolia... Montaerrat 140.00 109.86 Sucre (d) Sucra (f) (4) Pound (c) (Colon (Colon (d) C.F.A. Franc . Ohliling 0.83 1.35 5.00 5.00 562.50 2.0727 8.69 1.471 S 1.0011 5.245 1.25 57.9S 151.818 368.50 6.816 6.816 0.00 1.4715 1456.30 3.675 1.4115 0,28 40,48 5,1405 El Salvador. Eq'ti Cuinea. Ethiopia..... Faeroe is..... Falkland la... 0,1215 97,2243 1604,00 Birr (g)
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n.s. Not available. (m) Market rate. *U.S. dollers per National Currency unit. (a) Freemerket central bank. (b) Difficial rate. (b) Freemerket inter-back. (c) Commercial rate. (d) Freemerket. (e) Controlled. (f) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (i) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (i) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (ii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (ii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (ii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (iii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (iii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (iii) Financial rate. (g) Prairrential rate. (g) Prairrential rate. (h) Non-assential imports. (iii) Financial rate. (g) Prairrential rate. (h) Non-assential imports. (iii) Prairrential imports. (g) Prairrential rate. (g) Prairrential r

London rates easier

Interest rates declined on the London money market yesterday, as dealers remained optimistic of o cut in clearing bank base rates. A reduction of a per cent to 11 per cent is looked for, providing next week's UK money supply figures are satisfactory, and there are no shocks with regard to sterling or the oil market. Ministers from the Organisation of Petroleum Ex-Organisation of Petroleum Ex-porting Countries are expected to meet in Geneva on April 15, and according to the Indonesian oil minister, speaking in Jakartz yesterday, agreement on produc-tion cuts is likely.

Three-month interbank fell to lightly per cent from 11%-11% per cent. The Bank of England initially forecast a market shortage of around £400m, but changed this to £500m at 900n, and to £450m in the afternoon. Total assistance

Before lunch the authorities Before lunch the authorities bought f132m bills outright, by way of £2m bank bills in band 1 at 11½ per cent; £90m bank bills in band 2 at 11½ per cent; £4m local authority bills in band 3 at 11½ per cent; and £36m bank bills in band 3 at 11½ per cent. In the afternoon £141m bills were wereheased outright through

MONEY RATES

Over-night Month Months Months Months - In vitin Frankfurt

11% per cent and £20m bank ment with the Bundesbank, 9, DM 17.7bn will drain from bills in band 3 at 11% per cent. While an earlier DM 160b agreeths market as a securius remain confort-shills maturing in official shile in April, as the high level

Bills maturing in official bands, repayment of late assistance and a take-up of Treasury bills drained £658m, with a rise in the note circulation absorbing £15m. These outweighed Exchequer transactions adding £220m to liquidity and bank balances above target by £35m. In Frankfurt call money was unchanged at 4.45 per cent, in spite of a liquidity drain of DM 55m. Commercial banks received DM 95m through 9.34-day securities repurchase agree-

NEW YORK RATES (Lamchtime)
Prime rete
System lorin rete
Fed funds at intervention

Treasury Bills & Bends

are expected to remain comfortable in April, as the high level of tax payments made in March declines, and on April 10 the Bundesbank pays up to DM 6bu of its profits to the Federal Government, money which will find its way quickly into the market. Next Wednesday, April purchase agreement matures, but dealers expect a new agree-ment to be announced early next FT LONDON INTERBANK FIXING (11.00 a.m. April 0) Six atouths US dollars Three months US dollars offer 75/16 bld 78/16 offer 75/18 the reference banks at 11 am auch working day. The banks are Hatlanei Westmineter Bank, Bank of Tokyo, Deutsche Bank, Bangue Metionale de Parls and Morgan Guaranty Trust. The Edge cates are the arithmetic masses, rounded to the massest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to LONDON MONEY RATES 7 days | Three Six | notice | Months | Months | Que Que April 3

Treasury Bills (sell): ene-month 11% cer cent; three-months 10% per cent.

Back Bills (sell): ene-month 11% per cent; three-months 10% ocr cent.

Tressury Bills: Avamge render rela et discount 10.7440 per cent. ECGS Flad

Finance Schame IV relarence dots March 5 to Agril 1 (inclusive): 11.677 per cent.

Local authority and Finance Nouses savan days' notice, others seven days' fixed.

Finance Houses 5ee Rere 12% per cent from April 1 1985. Bank Deposit Rate for

Jums at seven days' notice 5% ber cent. Certificates of Tax Seposits (Sorias 5):

Deposits £100,000 and over hald under ene month 11% per cent; one-three months

11% per cent; three-als months 11 per cent; six-nine months 10% per cont; nine-12

months 10% per cent. Under £100,000 10% per cent from March 25. Seposits hald

under Series S 10% per cent. Deposits withdrewn for cesh 7 per cent.

and the second program of the second program

38 581715H FUNDS	AMERICANS—Cont.			ENGINEERING—Continued	Times Friday April 4 1986
1926 Prise - or Virial Red. "Shorts" (Lives up to Five Years) 001 05 [742 70125] 001 05 [742 70125] 001 05 [742 70125] 001 05 [743 70125]	1956 Price	LONDON SHA	DRAPERY & STORES Cont	1986 Slock Price Med C'er Er's FE	Figh. Limit Stock Price
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95.1 937 Service Community	Sing Silver (red Si	200 123 925 40 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	66 57 floo Value Ind. 10p. 62 -1 194 187 Hunderwoods 10p. 185 R1.65 3.0 1.3 37.7 9 37 31 Updan El 'A' 32 R1.65 3.0 1.3 37.7 9	86 58 (Chamber 14.2 Hill. 22 33.3 13.3 13.3 13.3 13.3 13.3 13.3	26 18 inference 27 -1
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at 364p, up 6, while Ranks Hovis McDougall put on 4 to 227p.

gineering from Paarson. Scottish Heritable Trust advanced 14 further to 168p on the good annual trading statement, while Cook-son, due to reveal preliminary

son, due to reveal preliminary figures next Thursday, gained 17 mere to 557p. Evered, reflecting revived talk that it has sold its stake in TI Group, rose 14 to 288p. Press mention left Plastic Construction 14 higher at 82p, hut profit-taking clipped 20 from Brammer at 345p and left Bowater 15 cheaper at 338p.

The reduction in last year's operating loss encouraged sup-port for BL which moved up 3

to 50p, but Jaguar, still effected by the implications of the duty imposed on ADR's, slipped 7 more to 443p, a two-day decline of 12. In components, FR Group added 10 more at a 1986 high

of 390p and Kwik-Fit Holdings rose 5 to 98p.

Garages and Distributors showed BSG International a couple of pence off at 3Sp despite

Good Relations continued firmly at 153p, up 8, while Moss Advertising came to life and rose 12 to 115p.

the satisfactory interim results.
Reschaugh moved up 10 to 595p
and Tops Estates 15 to 400p,
the latter in a restricted market.

Shippings included a firm

which advanced 10 to 207p fol-lowing comment on the prelim-inary results. P & 0 rose fi to 543p and Milford Docks edged

up 4 to 75p. In firm Textiles, Courtaulds

ference shares.

The preliminary figures from

Account Dealing Dates Option First Declara Last Account Dealings tions Dealings Day Mar 10 Mar 26 Mar 27 Apr 7 Apr 1 Apr 10 Apr 21 Apr 21 Apr 14 Apr 24 Apr 25 May 6

erdier.

The charge higher in Loodon equities continued yesterday and the glory went to Store shares. Intense speculation and a heavy Intense speculation and a heavy turnover was sparked off to the sector by early news that High Street retailer Dixons was attempting to take over rival group Woolworth with a bid valued last night at nearly £1.8ho. Dixons' share exchaoge terms, initially worth 715p per Woolworth share, were called derisory by the Wootworth hoard. Iovestors immediately caught the scent of a contested hattle and Woolworth shares rose sharply on speculation that a much higher offer would be necessary to win the day. Woolworth touched 890p hefore closing 27 up at 860p, while Dixons hounded ahead to end 50 higher ing 27 up at \$60p, while Dixons bounded ahead to end 50 higher at 420p, after 438p, on suggestions that the group had been forced into making a defensive offer, belog aware that it could fall prey to an approach from another retaiter, Sears.

Other Store leaders rose strongly as iovestors searched for the next bid candidate. Many stocks scored double-6gure gains until the atmosphere began to cool in the late business. Afterhours' pro6t-taking then pared

hours' pro6t-taking then pared the gains in two main cooteoders and brought most other leaders away from the highest levels.
Other areas of the market suffered hecause funds available for investment were siphoned off by the sustained activity in Stores. The majority of blue chips opened buoyantly to the wake of New York overnight, drifted a shade lower and then firmed again late. Within 30 minutes of the start the FT-SE 100 share lndex was 188 up, helped by eveots in Stores, but and brought most other leaders helped by eveo(s in Stores, but it eased back to close a net 14.7 higher on the session at 1717.6. A sterling/oil sensitive market

in Gilt-edged stocks was unable to regain its receot ascendency. Further profit-taking found buyers reluctaot and prices drifted back again with the accent of longer maturities, A downward trend in Gilt futures also affected sectiment and selected longs closed the day as much as a down. The shorts were more resilient and indexlioked fared eveo better, posting gains ranging to i on revived small demand which found stock in short supply.

Clearers down again

Clearing baoks remained an isolated dull area as US baok debt uocertaioties prevailed. NatWest led the retreat with a fresh fall of 25 to 890p, while Barciass dropped 15 to 538p and Lloyds relioquished 14 at 638p. Midland closed 13 off at 508p. Elsewhere, Standard Chartered were subjected to revived takeover speculation and jumped

EQUITY GROUPS

& SUB-SECTIONS

CAPITAL 6000S (212) Contracting, Construction (28)

Mechanical Engineering (64) Metals and Metal Forming (7) ...

CONSUMER GROUP (185) .. Brewers and Distillers (23) ... Food Manufacturing (22) Food Retailing (14)

Packaging and Paper (14).

OTHER GROUPS (85)

Shipping and Transport (12) Telephone Networks (2) Miscellaneous (49) INOUSTRIAL GROUP(483).

0il & Gas (17) ______ 500 SHARE INDEX(500).

Insurance (Life) (9)
Insurance (Composite) (7)
Insurance (Brokers) (8)
Merchant Banks (11)
Property (51)
Other Financial (25)

Investment Trusts (103) Mining Finance (3)

FT-SE 100 SHARE !NDEX 4 ...

2 5-15 years ...

5 All stocks...

5 years...

Over 5 years

index-Linked

FIXED INTEREST

-0.44

140.62 -0.30 141.12

110.45 +0.22 110.21

110.43 +0.30 | 110.09 |

172.91

110.43

9 Debentures & Loans . 123.25 | -0.04 | 123.30 | --

146.37

-0.56 156.15

-0.90 174.48

+0.29 | 110.11 |

84.75 - 84.75 - 2.17

leg Index 1736.7; 10 a.m. 1721.6; 11 a.m. 1714.3; Noon 1713.8; 1 p.m. 1715.5; 2 p.m. 1726.0; 3 p.m. 1717.6; 3.30 p.m. 1717.7; 4 p.m. 1718.3

Stores (44) ... Taxtiles (17)

Health and Household Products (10) ...

Buoyant Store sector leads fresh charge higher in equities

Among merchant hanks, Mercur Among merchant banks, Mercury Securities, in which Mr Saui Steioberg of the US holds n sizeable stake, jumped 60 to 930p, while associated stock-jobbing concern Akroyd and Smithers leaps a similar amount to 750p in sympathy.

to 750p in sympathy.

A hroker's "huy" recommendation in the wake of the annual results helped GRE advance 40 to 915p. Sun Alliance, meanwhite, gained 33 to 749p on further consideration of the better-than-expected preliminary 6gures, white perennial take-over favourise Commercial Union moved up 7 to 315p. Elsewhere, Abbey Life's annual 6gures were well received and the sbares closed 6 to the good at 216p. closed 6 to the good at 216p. Improvements of 16 and 23 respectively were seen in Britannic, 903p, and Prudential, 965p.

Speculation about a possible higher offer from Guinness saw Distitlers race ahead to 693p before the shares reacted to 675p and closed only 12 dearer on halance at 682p following the late announcement from Guinness that it would not be late announcement from Guinness that it would not be
increasing its offer; the latter
moved up sharply late to close
14 hetter at 341p, while rival
sultors Argyll Group ended 15
to the good at 360p. Elsewhere
in the drinks sector, Vnux gained
25 to a new peak of 490p on
continuing talk of a bid from
Pleasurama.

the major temeot manuacturers were given a strong hoost by oews that cemeot prices will rise by 4 per cent io July. Blue Circle touched 706p prior to closiog 25 higher at 696p, while Rugby Portland Cement gained 5 to 189p, after 191p; the latter's 5 to 189p, after 191p; the latter's anoual results are due next Monday. Other leading Building issues to attract fresb support included RMC, up 14 more at 650p, and Redland, 6 bigher at 481p. Favourable comment on the annual results prompted good support for AMEC which advanced to 297p before settling 19 up on balance at 290p, while Barratt Developments firmed 6 to 154p. Eisewhere, brick concern lbstock Johnsen hardened a couple of peoce to 188p followa couple of peoce to 188p following preliminary profits in lice with market estimates. Derek Crouch gained 4 to 148p on news of the new opencast mining contract worth some £30m with the NCR.

ICI were overlooked in the fresh upsurge and closed unchanged at 952p. Elsewhere in the Chemical sector, Hickson International continued to trade

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Thurs April 3 1986

FINANCIAL	TIMES	STOCK	INDICES
	A11 A		

	Agr.	April 2	April 1	Mar. 27	Mar. 26	Mar. 25	year ago
Government Secs :	21.99	92,34	22,55	+21.87	91,12	90.1D	80.71
Fixed Interest	95,30	96,36	99.02	195,00	94,86	94,35	86,46
Drdinary ♥	1435,3	1412,4	1400.0	1390,0	1380,4	1364,7	992.5
Gold Mines	ag0.0	282.0	272.9	286,9	291,9	305.4	509.3
Ord. Div. Yisid	8.77	3.72	3,87	3.90	3,95	3,97	4.73
Earnings, Yid. % full)	9.12	10,00	a,a6	2.34	9,31	9.42	11,93
P.E Ratio (net) (*)	15.48	13,43	13.38	15,27	13.34	13.17	10.28
Total bargains (Est.	30,105	37,907	40,496	40,000	38,410	38,401	90,761
Equity tumover £m.	- :	710,49	591,01	824,44	937.42	699,37	308.67
Equity bergains	- 1	43,005	33,119	48,981	45,596	39,236	28,657
Shares traded (mt)	~	302.2	984.9	376,9	414,1	303,9	165,7

1 Corrected.								
ŧ	HIGHS A	AND L	OW\$		S.E. A	CTIVIT	Y	
- 11		1986		mpliat'n	NILICES	Apr.	Apri)	
	High	Low.	High	Low	Daity			
Govt. Secs.	92.33 (1/4)	. 80.39 (20/1)	197.4	49 19	Gilt Edged Bargains Equities	177.8		
Fixed Int	96,95 (2:4)	85,55	150.4 (28/11/47)		Value 5 dayAverage	278.7 1436.0	247.0 1,194.6	
Ordinary	1425.9 (5:4)	1094 3 ([4/1)	1496,9 (5/4/86)	1/26/6/40\	Dilt Edged Bargains Equities	184.5	184.3	
Gold Mines	357.0 (27;1)	267.6 2/t]	734.7 (15/2/88)	45.3	Remains	977.6 1521.1		

the wake of the surprise Dixoos/ Woolworth hid development left woodworth and development left old takeover chestnuts Harris uensway 24 to the good at 298p and W. H. Smith A, the sams amount better at 360p. Storehouse advanced S to 360p and Combined English firmed 4 to 260 Burton meanwhile 260. Burion, meanwhile, touched 354p following the interim results, but reacted late to close uoaltered at 34ftp. Next, with interim figures scheduled for next Tuesday, put on 13 to 294p. Among secondary issues, those old favourites to come into those bld favourites to come into their own included Freemans 26 to the good at 454p. Etam moved up 6 to 274p, while talk of an imminent offer of 140p per share helped Martin Ford move up 3 more to 111p. Helene of London attracted speculative support at 31p, up 4, while Ward White continued firmly at 334p, up 12.

mance by leading retailers in

Leading Electricals trended unchanged at 952p. Elsewhere in the Chemical sector, Hickson International continued to trade firmly and rose 8 more to 443p. while Brent Chemicals revived with a galo of 9 at 167p. Buyers again favoured Foseco, up 8 more at 298p., but Coates Brothers, A of abid from Amstrads settled, shed 3 to 134p following commonly 2 higher on balance at Another remarkable perfore 107p; Amstrad, a risiog market.

Tours March 27

of late, reacted fi to 442p. Micro Focus were good at 245p, up 20, after 250p, but Acora Computer dipped fi to 72p following the

Vickers, again assisted by nationalisation compensation hopes, continued to make progress and put oo 1S to 528p. GKN edged up 7 further to 385p. Outside of the Engineering leaders, Carclo advanced 25 to 386p. in complete the to the continue of the continue to the total section of the continue to the total section. leaders, Carcio advanced 25 to 360p in a market none too well supplied with stock. Staveley rose 11 to 468p, while TI edged up 7 to 522p following the acoust report. Noble and Lund firmed 3 to 108p in response to the preliminary figures, while Davies and Metcalfe A hardened a couple of neces to 75 on the a couple of peoce to 75 on the revelation that Bergische Stahl-Iodustrie of Germany bas acquired a stake of around 10.4 per cent in the Ordinary class

S. & W. Berisford, up 4 at 230p, continued to edge higher belped by the announcement that potential bidder Tate and Lyle had increased its stake to 9.1 per cent. T & L closed 5 higher at 648p, while Hillsdown Holdings, which speaks for just over 10 per cent of the Berisford equity, gained 8 more-te-276p. Elsewhere in the Food sector. equity...gained. 8. more—te—276p.
Elsewhere in the Food sector,
Cliffsrd's Dairles A' pot on 27
to 1228p. reflecting la broker's
recommeodation and revived
takeover speculation. Avana
found support following a
broker's lunch and rose 41 to
585p. Amoog Retailers, Tesco
firmed 5 sfresh to 375p, while
William Morrison gained 16 to
200n in reply to the good appural

preliminary statement.

william Morrison gained 16 to 200p in reply to the good amual results. William Low and Nurdin and Peacock both rose 10, to 620p and 180p respectively in sympathy. Associated British Foods continued to stract huyers

edged forward 2 more to 31Sp, while speculative improvements of 6 and 5 respectively were seen in Gaskell Broadloom, 11Sp, and

Govett Enterprise jumped 38 to 2039 on news that the group is in, mergar discussions with Govett Atlantic, a penny dearer at 145p. Among Financials, Argyle Trust 103e 4 to 71p on talk of a bid from Guinness Peat.

Oils move ahead

The preliminary figures from Reckitt and Colman were well received and the price advanced steadily to close around the day's best with a gain of 64 at 900p. Among the other miscellaneous industrial leaders, Metal Box is abandoning the manufacture of drinks cans in the US and is selling its only American plant to Metal Containers. Boots, reflecting the sharp advance in the Store sector, put on 10 to 286p. Trafalgar House closed a like amount dearer at 330p. Elsewhere, Christies International rallied 12 to 325p on bid hopes, while comment on the preliminary figures assisted a rise of 12 Leading oil shares made fur-ther good progress following a statement from OPEC minister statement from OPEC minister
Dr Subrote that an accord on
production quotas will be agreed
at the April 15 OPEC meeting.
BP rose 10 to 565p and Shell
put on 11 more to 776p, after
783p; Britoil touched 181p early
before agrig lotte to close on before easing inte to close unchanged on balance at 178p. Enterprise Oli bardened a penny Enterprise Oil bardened a genny to 143p following comment on the preliminary figures but profit-taking left Tricentrol a couple of pence easier at 76p. Ultramar, where Mr. 20n... Brierley's IEP Securities has built up a 6.45 per cent stake, gave up a similar amount to 188p. ary figures assisted a rise of 12 to 300p in Alexander Workwear. Williams Holdings, up. 17 more at 688p for a two day gain of 78, continued to benefit from the proposed purchase of Fairey Engineering from Paarson. Scottish

Persistent rumours that Australia's Robert Holmes a Court had built up a 6 per cent stake in RTZ and that a takeover hid for the company is imminent prompted heavy domestic and overseas buying of RTZ which raced up 51 to 764p after a year's heat of 770p. demand was also best of 770p; demand was also fuelled by news that UK cement prices are set to rise by 4 per cent in July. RTZ's preliminary results are expected next Thursday. Consolidated Gold Fields also performed well, improving 18 to 495p.

Cornwall's Geever Tin, on the other hand, slumped to 30p at one point before stendying to close a net 12 down at 33p—24 lower over the past three trading days—still reflecting news that the company is to halt mining operations and lay off the majority of its workforce from

South African sectors mining markets took Wednes-day's rally a stage further fol-lowing renewed South African buying interest, and shrugged off the 55 per cent jump in annual profits. T. Cowie put on 5 to 191p, Lex Service 7 to 373p and Kenning Motor 6 to 218p, the last-named reflecting the rise in Tozer Kemsley Convertible Preanother disappointing performance by the bullion price which drifted back after a firm opening to end the day a net \$2.25 easier on balance at \$333.25.

easier on balance at \$333.25.

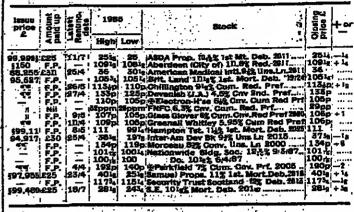
Australian mines were again
overshadowed by "down-under"
banks and industrials and closed
mixed. In the leaders, CRA
dipped 10 to 332p, Peko-Wallsend
eased 6 to 253p and MIM Holdings lost a like amount to 125p.

Attention in Properties again focussed on secondary issues. Recently - overlooked Brixton Estate came to life with a flourish and immped to 170p be-fore settling a net 8 up at 165p; **NEW HIGHS AND** the annual results are due on April 17. Abaco continued to attract buyers and gained 5 to LOWS FOR 1986 NEW HIGHS (339) attract buyers and gained 5 to 50p, a two-day advance of 10, while USM-quoted Sheraton Securities firmed a penny-more to 43p. Greycoat continued firmly in extriples from and rlosed 10; higher; at 256p, while Marivales Moore gained 4 to 145p following

NEW LOWS (41).

pride pride paid up	1986 E High Low	Stock	Olovalng +-	***	Cross Orose Yield	P.E.
	- 140 125 - 76 65 - 76 65 - 195 150 - 150 128 - 128 112 - 129 - 12	Espice 5p Templeton Galbraith Throgmorton USAL	76 +2 188	R2.9 R3.3 R1.0 R2.5 c2.5 c2.5	2,2 5,8 	75,6 16.3 21.2 15,5 11.0 6,5 12,4

FIXED INTEREST STOCKS



RIGHTS OFFERS

Issue On Re	atest 1986 nunc. late High Low	Stock	Giosa + o
200 F.P. 18 207 Nit 180 Nii 1r,82 Nii 3 Nii 150 Nii 11 Nii 20 Nii 11 Nii 20 Nii 20 Nii 20 Nii 20 Nii 21 Nii 22 Nii 23 Nii 24 Nii 25 Nii 26 Nii 27 Nii 28 Nii	9-5 69pmi 55p 844 275 265 - 46pm 35p 9-5 68pm 58p 55 44pm 35p 55 44pm 23p 225pmi 225pm 225pmi 223p 815 17pmi 12p 9-4 70pm 42p 64 94pm 64p - 76pm 56p	m #Alda Ngs. m Assoc. Newspapers. m Assoc. Newspapers. m Great Nicholsoo . Np. Cullens Hidgs Np. m Greycost . Np. m Haywood williams. m Hacobs (W.R.). m Hacobs (W.R.). m Mastin (A.) . Np. m Tranwood Sp. m Wst. Sp. m Wst. Sp. m Wst. Sp.	985pm 70pm 52pm +2 975 46pm +8 64pm +8 28pm -5 225pm 17pm 70pm 812pm +24 60pm +8

TRADITIONAL OPTIONS and Regalian. Scottish and New

First Last For castle and Dewhurst were dealt in for the put, but no double ings ings. Hen incent, portions were reported.

Mar. 17 Apr. 4 June 26 July 21 BISES AND FALLS Apr. 21 23 May 24 Apr. 21 23 May 24 Apr. 21 23 May 24 Apr. 21 23 May 25 July 24 Apr. 21 25 Apr. 21 25 July 24 Apr. 21 25 Apr. 21 25 Apr. 21 25 Apr. 25 Apr. 25 Apr. 26 Apr. 26 Apr. 27 Apr. 26 Apr. 27 Apr. 26 Apr. 27 Apr. 27 Apr. 28 Apr. 28 Apr. 27 Apr. 28 Apr. 28 Apr. 28 Apr. 27 Apr. 28 Apr.

Stocks dealt in for the call licenses from the call included F. J. C. Ialley, Dwek, Abaco, Britannia Security, Hall Engineering, Barratt Develop Financial and Props. 180 ments, Sears, BBA, Dewhurst, Gus A, Jebsons Drilling, Tricuntar and Newall, SCUSA, Horizon, STC, Ultramar, Others Pavion, John Brown, Wellman Engineering, Wordplex, Austrad Totals 877 483 1,402

London Trade Options were not available for this edition

YESTERDAY'S **ACTIVE STOCKS**

Abova everage activity the fellowing stocks ye			Based on barg Exchange Offici	sina rec al List.	orded	in Stoc
Stock Acem Computer	Closing price 72	change — 9	Stock Asso. Br. Ports	Na. of changes 29	Wad. close 625	Day's change +65
Soots 9/11ish Asrospace 6/14ton Estata	288 592 165	+10 + 9 + 2	Willisma Hidg.	28	190 671 619	+ 4 +51 +25
Commercial Union Dixons Grove Marks and Spancer	315 420 227	+ 7 +50	Shell Transport	27 27	138 765 283	+ 8 + 10 + 25
Plikington Bros Reckett and Galman	475 900 764	+ 2 + 5 + 64	Marks & Sper. Amstrad	. 28 25	225 450	+ 7
Aun Allisnee	749 860	+51 +33. +227	9riush Telecom Cable & Witz. ICI	25	278 730 952	+ 10 - 5 + 1

EUROPEAN OPTIONS EXCHANGE

of	Index No.	Day's Change	Yield% (Max.)	Vield?		1986 to date	Index No.	ladex No.	Index No.	Index No.	YESTE	PDAV	76		WFI	ONES	DAV	76	
		%		29%					.,,,,,,,,		ACTIVE					IVE S			•
	737.75 843.55	+0.4	7.82 7.78	3.2		3.97	735.05	727.97	719.78		Abova everag								
-	1170.95		7.78			1.60 5.65	833.36 1163.99		817.46 1148.73	702.83	the lellewing					s Official	List.	ded in S	IOCK
***	1969.06 1675.80	+0.2	7.14	3.8	18.58	2.14		1950.57	1950.84	1553.00	Stock		Closing	Day's change	3tock				ty'e
	420.74	+2.0	8.76			8.56 2.63	1691.37 416.77	1658.92 422.63			Acem Compu	183	72	- 9	Asso. 8	r. Ports	23	625 +	ez ude
	332.96		6.62			0.00	329.84	331.80	327.61	193.82	9ntish Aerosp	ace	288 592	+10 + 9	Ultramai Williama	Hidg.	29 28	671 +	51
	297.94 1347.13	+0.3	7.99			2.81	297.13 1339.01	296.91 1323.40	293.92 1313.84		Griaton Estate Commercial 1	Inian	165 315	+ 2 + 7	Frsone			619 + 138 +	25 8
	968.16		7.03	2.9		4.33	954.56				Dixons Group Marks and 3p		420 227	+50 + 2	Shall Ti	ansport	27	765 +	10 25
	966.90 692.30	+1.4	8.14			3.89	955.82 684.88	948.78 678.83	951.01 670.15		Plikington Bro Reckitt and G	3	475 900	+ 5	Marks 8	Sper.	26	225 +	7
-	1940.13	+0.7	6.19	2.3	21.96	6.43	1926.02	1924.13	1903.79	1524.96	RTZ		764	+51	Amstrad 9ribsh	alecom	25	278 +	22 10
-	1598.52 963.36	+0.5	7.42	3.6		1.51	1589.84 968.51	960.46	1555.16 946.40		Aun Allusnee Waalworth		749 860	+33. +227	Cable 8	Wita.		730 → 952 +	
	2399.59	+1.0	6.92	3.7	18.25	4.41	2375.81	2375.43	2324.86	1739.64				•					_
***	476.21 984.64	+1.5	7.35 5.48	3.2		1.89	468.95 948.64	456.A2 926.77	459.97 906.13		-								_
	574.41	+0.6	8.38	3.1	13.65	0.43	570.87	558.73	551.70	320.78							· 		1
	1174.33 856.61	+0.1	10.92	-3.4		20.60 4.78	3172.96 854.25		1155.22 835.40) EUR	OPE	AN C	PTI	ONS	EXCI	IANG	iΕ	•
_	928.35	+0.4	10.03	4.3	12.02	14.93	925.11	917.63	916.36	752.46	Ser	-	Vol.	Last	Aug.		Nov.		
	264.70 1677.64	+0.9	7.31 7.34	3.79		3.81	264.54	260.44 1645.45	257.56					Last	Vel. L	ast Vo	i, Las	t Stoci	-1
	1035.16	-0.1	7.96	3.1	17.23	0.93	1035.49	1937.82		835.81	COLD C	\$340 \$350	13 ; 12 ;	7.30	10	93	:: 2	SD55.2	ю Т
	1053.25	+0.7	6.65	32		2.67	1045.81		1024.79		GOLD C	\$380i \$350i	70	0.80	n 7.	50 -	= ' =		ı
_	889.80 1191.52	+0.9	7,46	75		38.50	381.99 1175.36	874.33 1163.65	862.23 1181.94		GOLD P	8590 5330	10	2.50	49 9.	50 j -	= ₁ , =		1
	917.63	+0.9	8.54	3.5		7.06	909.14	901.13	891.30		GOLD P	5340	10 :	10	58 150	19 - 19 -	=-' =	**	.
	624.02	+0.5		4.0		5.90	620,72	616.62	614.71				· Ju	ne	· Sept,		Dec.		•
	670.81 906.11	-1.6 +1.5	17.34	3.9		12.90 4.56	687.84 892.99	689.17 879.02	689.43 870.44		BILVER C	5600 5650	an	7	18	a } · =	- 1 -	8514	1
	517.27	+2.9	_	4.00	- 1	4.28	502.65	491.34	490.11	338.80	£/FL C	F1.380	103	13	13	15 [:] -	:	F1,392,	18
	1275.93 358.12	+0.7 +1.7	7.07	3.6		11.87 1.60	1267.27 352.03		1225.76 349.33		PIFL C	F1.390 F1.406	30	3,40	1 103	- .; -	: =		. [
	751.57	+0.3	5.34	3.27	25.08	1.50	749.05	744.50	742.55	627.12	EFL C	F1.410 F1.845	- :	2.30	85 24.0			F1.289.	50 I
-	357.92 759.99	+1.6	7.29	2.89		1.64	354.27 756.94	352.5I 753.95	350.83 745.84	286.29 594.48	SIFL C	F1,205:	· 64 :1	4,20	10 1	տո	-! -		
	325.74	+5.9	10.20	4.70	11.42	1.60	307.62	308.94	311.99	296-29	S/FL C	F1,265	313	8.30	7 1n.				ı
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Publication date: May 2 1986 Advertising copy date: April 18 1986

The Financial Times proposes to publish this Survey on the above date. The provisional editorial synopsis is set out below:

1. INTRODUCTION
2. FINANCE

CONTAINERS 4. TANKERS 5. BULK CARRIERS
6. PASSENGER SHIPS
7. SHIPBUILDING
8. SPECIALISED CARGO

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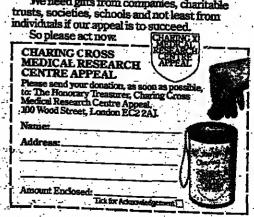
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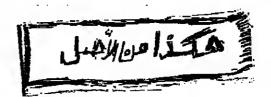
We need gifts from companies, charitable trusts, societies, schools and not least features.



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WORLD STOCK MARKETS



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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3 pm, April 3 Marchyn 60
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EARL PISC 4214 42 355 6 9 120 3 355 6 9 19:50 Continued on Page 43

AMEX COMPOSITE PRICES

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

See-sawing on oil price uncertainty

THE UNCERTAINTIES over world oil prices continued to overshadow the US securities markets yesterday, writes

Terry Byland in New York. Bond prices opened higher, still benefiting from the White House decision not to help Saudi Arahia stahilise oil prices, hut were quickly undermined by reports that Opec hoped to reach agreement on output at its April 15 meeting in Geneva. Busy trading in the stock market left

prices showing an irregular pattern. At 2 pm the Dow Jones industrial average was 0.54 up at 1,796.10. The bond markets were also unsettled

hy a rally in crude oil futures on the New York Mercantile Exchange, soon counter-halanced by rumours that the Soviet Union might be a seller of oil. Bond futures moved erratically, leading the cash market lower at mid-session when the key long bond was down by half a point

The larger New York hanks steadied after a bout of nerves over their domestic energy portfolios. Citicorp added 5½ to \$50%, Bankers Trust 5% to \$45% and J. P. Morgan 5% to \$76%.

But tremors erupted among the Texas hanks after reports that the federal banking authorities were preparing con-

Frankfurt

Commerzbank Dec 1, 1953 • 100

Paris

Dec 31, 1982-100

1982

STOCK MARKET INDICES

1,796.10*

612.44*

236.05

1,717.6

832.39

917.63

1,144.2

9.01

Year acc

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154.13

179.11

1,274.6

615.7

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(offered rate)

Treasury

Treasury

10% June 1990

3% July 1990

8% May 2000

10% Mar 1993

10% May 1993

10% May 2013

11.80 Feb 2013

12% Dec 2012

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

LONDON

US3-month T-bill:

1993

1996

1.795.26

613.67

235.71

1.419.4

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307.9

£971.50

\$11.00

April 3 \$333.25

\$335.25 \$336.76

181.84 162.24

306.3

COMMODITIES

GOLD (per ounce)

n/a 244.4

699.94

255.5

2,124.0 2,107.1

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825.O

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1000

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

TOKYO

Nikkei

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

REL CIUM

CANADA

Metals & Mins

Credit Akties

Belgian SE

Composite

Portfolio

DENMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerzbani

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Ind

NORWAY

SPAIN Madrid SE

SWEDEN

(London)

London

Zürlch

Paris (fixing)

New York (June)

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Silver (spot fixing) Copper (cash)

Coffee (May)

Oslo SE

SINGAPORE

SOUTH AFRICA

ITALY

FT-A Long gil

DJ Industrials

DJ Transport

S&P Composite

KEY MARKET

tingency plans for hanks in the domestic energy states. At \$6, First City Bancorp of Texas shed \$1.

Tobaccos provided a weak feature after a date was set for the next legal claim against a major cigarette manu-facturer by an alleged victim of smo-king. Liggett Group, a subsidiary of grand Met of the UK, must defend itself early next month in a federal court in Boston.

Philip Morris fell \$1½ to \$113½ and R. J. Reynolds \$½ to \$39¾, both in hefty trading although not all analysts agreed tohacco stocks should be sold.

However, the stock market was boosted by another recovery in IBM, which gained \$1% to \$152% in good turnover. Digital Equipment, second to IBM in the data processing business and which was also helped by comment in the invest-

ment press, jumped \$2% to \$157%.
Gains elsewhere in technology issues were more modest, Honeywell adding \$% to \$74%, Burroughs \$% to \$64% and Control Data 51/4 to \$231/4.

Similarly undecided were the defence/aerospace stocks and the hroader range of manufacturing issues. General Electric shed \$\% to \$77\% and Lockheed \$\% to \$56\%. But General Dynamics edged up \$1/4 to \$871/4.

Airlines held steady although there was concern over the explosion aboard a passenger airliner near Athens. TWA eased \$¼ to \$17% and United shaded \$% to \$56%, but Delta, at \$44%, gained \$%. Pan Am eased \$\% to \$7\%.

Bearish comment on the decisions to lay off staff and reduce production took another \$% off General Motors at \$82%. Ford joined the downturn among the

CURRENCIES

Previous

2.375

179.5

1.9825

2.6745

1,608.5

48.25

1,3925

US BONDS

US DOLLAR

April 3

179.65

7.395 1.996

2.6875

1,631.0

1.3935

6-month US5

-11400

1350

1300

STERLING

1.4715

3.495

264.25

10,735

2.9175

3.935

2.0485

11%

4% 4% 13%

7%s 7%s 7%s 6.9 6.36

Day's

+0.02

+0.01

+0.01

+0.02

+0.08

9.85 6.70

9.03

10.01

April 3 Previou

1,458

3.4775

2.91 3.9175

2,378.0

2.0315

7% 7% 7% 6.9 6.31

6.885 100 %z

7.37

7.24 7.04 7.39

7.82

Prev

Price

101%

89%

10.94 111% 10.94

93.09 93.03 92.98

125-29 127-24 125-24 127-06

101-22 102-25 101-15 102-03

100²³/₃₂ 7.241 101³/₃₂ 7.33 110²³/₃₂ 7.332 111²³/₃₂ 7.451 121²³/₃₂ 7.413 120¹³/₃₂ 7.512

-0.28

-0.02

-0.08

-1.29

Yield 9.85

6.77

April 3

Price 101%

89%

108%

111%

el Gilt

FINANCIAL FUTURES

142.86

134.00

144.58

180.98

7.295 10.7825

262.0

MONTORS

Detroit stocks, shedding \$1% to \$81%, but Chrysler steadied \$% to \$43%.

Oils remained mixed as Wall Street swayed between hullish and bearish rumours about crude prices. Exxon edged up \$% to \$56% while Mohil shaded \$% to \$29%. Ashland Oil at \$49% was \$% firmer as the stock settled after the repurchase of the Beizberg stake.

The same pattern was established among chemicals, which are also strongly influenced by oil prices, a main factor in feedstock expenses. Du Pont at \$75% was \$% up hut lightly traded, as was Monsanto, up \$% at \$61%.

Brighter features were found among the retail issues, where K mart stood out with a gain of \$1 to \$46, and Toys R Us added a further \$\% to \$43. Sears, which has been troubled by the uncertainty in the credit markets where its financial services subsidiaries operate, recouped \$\% to \$48\%.

The credit markets were slightly disappointed when mid-day passed without further intervention from the Federal Reserve. Short-term rates remained unchanged, with federal funds still comfortahly low at \$7% per cent for much of the

Bonds slid lower as the morning progressed, amid uncertainties over oil prices. The yield on the long-dated federal issue moved up to 7.42 per cent.

LONDON

Stores lead the charge to records

STORES LED the charge higher in London yesterday on the back of a contested battle for Woolworth.

Retailer Dixons attempted to takeover Woolworth with a bid valued at nearly £1.8bn, which was called derisory by the Woolworth board.
Woolworth touched 890p before clos-

ing 227p up at 860p while Dixons ended 50p higher at 420p.

The FT Ordinary share index rose 6.5 to 1,425.9, and the FT-SE 100 gained 14.7 to 1,717.6.

Gilts were mixed, with longs easing and shorts and index-linked stock posting small gains. Chief price changes, Page 41; Details,

Page 40; Share information service, Pages 38-39

AUSTRALIA

HEAVY TRADING in BHP, following a renewed takeover bid from Bell Resources, pushed prices higher in Sydney yesterday.

About 1m shares changed hands in BHP, which rose 4 cents to AS6.40, and Bell Resources ended steady again at A\$4.90. Parent company Bell Group lost News Corp continued to rise, adding

40 cents to A\$16.50, and in other media issues Fairfax gained 20 cents to A\$7.70 while Herald and Weekly Times gave up 10 cents to A\$5.90.

SINGAPORE

AFTERNOON profit-taking contributed to Singapore's lower trend yesterday as worries over the political situation in Malaysia and concern over the stockhroking industry resurfaced.
The Straits Times industrial index

shed 4.13 to 593.28, and turnover fell to 9.4m shares against 13.7m on Wednesday. Singapore Alrlines was most heavily

traded with 696,000 shares changing hands. It ended 35 cents lower at S\$6.15 while Raleigh, also active, lost 19 cents to S\$1.65.

HONG KONG

HEALTHY corporate reports hoosted Hong Kong yesterday, and prices made a strong recovery.

The Hang Seng index jumped 21.93 to 1,625.20 while the Hong Kong index, a new calculation based on 45 stocks in six sectors, gained 13.76 to 1,013.76.

Utilities scored the strongest galns, with China Light and Power 40 cents higher at HK\$15.60, Hongkong and China Gas 10 cents up at HK\$8.65 and Hongkong Telephone 30 cents firmer at

SOUTH AFRICA

FIRMNESS established itself in Johanneshurg yesterday, assisted hy the slightly higher world hullion price. Vaal Reefs rose R4.50 to R222, Kloof 25 cents to R22.50, Buffels R1.50 to R74

and Driefontein R1 to R54.50. In other mining issues Gencor added R1 to R41, Rustenburg Platinum 75 cents to R35.50 and De Beers 15 cents to

Banks were mixed, with Barclays off 25 cents at R19.50 and Nedbank steady at R6.40.

CANADA

MOST SECTORS moved higher in To-ronto as Wall Street recovered Hiram Walker, top of the actives, rose

C\$% to C\$35% as moves were made to try to hlock Allied's purchase of Walker's liquor business.

Genstar was also active, adding CS% to C\$57 after agreeing to accept Imasco's amended takeover bid. Imasco jumped C\$2% to C\$35%.
Golds turned lower in Montreal while

gains were made in the oil and gas

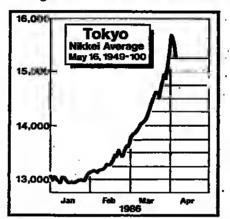
Central bank report spurs heavy selling

WARY INVESTORS sent Tokyo plunging downwards yesterday, but a late rally recouped some of these earlier losses.

urites Shigeo Nishiwaki of Jiji Press.
The Nikkei average registered its fourth steepest fall ever of 283.27 points to 15,272,24 on a volume of 670,26m shares, down from Wednesday's 825.16m. The index shed 409 points early in the afternoon, the higgest drop on record. Losses led gains 586 to 267, with

92 issues unchanged.
Investors, increasingly wary of the two-month-long uptrend in prices, were prompted to unload Wednesday's warning from the Bank of Japan governor against speculative stock and bond investments held hy corporations. Selling was also spurred by reports that the central bank would curb corporate lending by banks because the funds are used for

speculative investment.
Light selling by individual investors began in the morning, pushing down the leading issues which had fuelled the



market's upsurge. Mitsubishi Estate slipped below Y2,000 to close at Y1,940, down Y70, after losing Y120 at one stage. Mitsui Real Estate fell Y100 to Y1,500.

Assetheavy Nippon Yusen was Y16 down at Y449 and Tokyu Y14 to Y876. Utilities also sagged, with Tokyo Electric Power plummeting Y300 temporarily and finishing Y220 down at Y3,600. To-kyo Gas fell Y13 to Y402.

Among large-capital issues Nippon Steel declined Y5 to Y172 and Mitsubishi Heavy Industries Y9 to Y399.

Nomura Securities and Sumitomo Bank lost further ground, dropping Y110 to Y1,870 and Y150 to Y1,950, respective: ly. Other financials fell, with Tokio Marine and Fire ending Y100 lower at Y1,170. As selling tapered off in the afternoon,

purchases of major speculative stocks

increased, taking leading issues with them. Notable among gainers was Asahi Chemical, which continued to rise and

added Y24 to Y906 on the heaviest trading of 33.34m shares. Dredging companies became popular, holstered by the Y5,000bn project to huild a new international airport off Osaka. Penta-Ocean Construction, the fourth busiest share, soared Y80 to Y577, and Toyo Construction Y80 to Y509, both daily limit gains. Nihon Cement ad-

vanced Y16 to Y576 on the second largest volume of 25.17m shares. On the bond market panic selling sharply boosted the yield on the beli-wether 6.2 per cent government bond due in July 1995 to 4.73 per cent from Wednesday's 4.575 per cent. But buying later soared as hopes grew that the central bank's lending curbs would be relatively light and drove the yield down to

4.590 per cent. On the over-the-counter market the bond traded later at a yield of 4.560 per cent, lower than on Wednes-

EUROPE

Highs hit as upturn resumes

THE UPWARD trend resumed in Europe yesterday as investors were enged by a late overnight recovery on Wall Street, the firmer dollar and more. stable oil prices.

All the major bourses ended the day higher, with Brussels and Stockholm again leading the pack to close at new highs for the year for the third consecutive session.

Lower unemployment figures for March helped lift Frankfurt out of Wednesday's lethargy. The Commerzbank managed an increase of 16.9 to close at

Banks led much of the rise boosted by hopes of lower interest rates. Deutsche Bank added DM 15 to DM 877 on hopes of good profits from the planned flota-tion of the Flick industrial group, Dresdner was np DM 6.50 to DM 454.50 ex rights and Commerzbank firmed DM 3 to DM 331.50.

Car makers also closed generally higher, with VW up DM 4.20 at DM 603.20 following plans to boost capital spending and BMW was DM 5 higher at DM 547. Daimler again fell DM 1 to DM

Chemical stock BASF, which and nounced higher profits, rose DM 3.30 to DM 320, and Hoechst added 50 pfg to DM 312.50. Profit-taking left Bayer DM 2 lower at DM 342.50. Electricals closed mixed leaving Sie-

mens DM 1.80 up at DM 702:80 but AEG 70 pfg off at DM 332.20.

In the bond market profit-taking left longer-dated issues up to 20 basis points lower with prices of shorter-dated matu-

rities also lower.

The Bundesbank bought DM 3.9m of domestic paper compared with DM 40.6m on Wednesday.
US factors helped Amsterdam to close

a marginal 1.6 higher at 268.9 although some shares had edged back from their

day's high by the close."

Royal Dutch continued to rise on oil price hopes adding F11 to F1 193.30. Good gains by Unilever, up F1 4.7 at F1 426, and Akzo up F1 2.3 at F1 176.20, helped the market end higher on balance.
Among banks ABN rose FI 1.50 to FI 597.50, but NMB, which announced a

to F1 207.50. Steel group Hoogovens, which plans a one-for-10 rights issue, closed up FI 1.60

rights issue on Wednesday, slipped Fl 5

at FI 102. Most bond prices ended unchanged in

thin trading.

Continued optimism over the economy gave another boost to Brussels

where the Belgian Stock Exchange index rose 27.29 to a 1986 peak of 3,609.46. Petrofina again shrugged off oil wor-ries and added BFr 90 to close at BFr.

Financials generally rose with the trend GBL added BFr 65 to BFr 3,215 although Société Générale de Belgique, which has been boosted by good 1985 earnings, ended BFr 10 down at BFr

Among utilities Intercom closed BFr 15 to BFr 3.910, and EBES added BFr 95. to BFr 4,785. Institutional buying, spurred by the firmer dollar, again lifted Zarich.

Banks and insurances in particular saw healthy gains and encouraged much of the rise with Bank Baer bearer adding SFr 450 to SFr 16,400, Swiss Bank SFr 4 to SFr 616, Winterthur SFr 250 to SFr 6,600 and Baloise participation certificate SFr 150 to SFr 3,325.

Smaller gains were recorded in chemicals, with Ciba Geigy up SFr 65 at SFr 4,055 and Sandoz up SFr 30 to SFr 1,890-Bonds closed mostly unchanged.

Milan moved against the trend, closing lower on the first day of Consob's crackdown on option dealing in a hid to dampen speculation. However, some hlue chips ended the

day higher, with Fiat on hopes of an agreement with Ford in Europe, up L200 at L12,750, and Olivetti L650 higher at L17,200. Montedison, which announced its first profits since 1979, closed L30. higher at IAA30.

A new all-time peak was reached in Stockholm for the third consecutive session this week as hopes grew for a quick settlement of the current wage talks.

Pere est

Ry .

Among actives Ericsson added SKr 5 to SKr 290, Volvo SKr 14 to SKr 363 and ASEA SKES to SKr 436-1

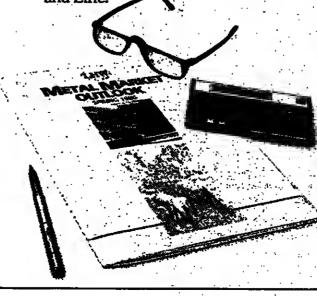
Profit-taking died off in Paris which resumed its upward trend while Oslo continued firmer led again by rising oil shares. Utilities took Madrid lower.

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